Report of the Congressional Committees Investigating the

Iran-Contra Affair

Appendix B: Volume 12
Depositions

Daniel K. Inouye, Chairman, Senate Select Committee Lee H. Hamilton, Chairman, House Select Committee

U.S. Senate Select Committee
On Secret Military Assistance to Iran
And the Nicaraguan Opposition

U.S. House of Representatives Select Committee to Investigate Covert Arms Transactions with Iran

November 13, 1987.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed.

November 17, 1987.—Ordered to be printed.

Washington: 1988



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United States Senate

SELECT COMMITTEE ON SECRET MILITARY
ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
WASHINGTON, DC 20510-6480

March 1, 1988

Honorable John C. Stennis President pro tempore United States Senate Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix B to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. We will submit such other volumes of Appendices to the Report as are authorized and as they become available.

Sincerely,

Daniel K. Inouye Chairman Warren B. Rudmar Vice Chairman



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The Honorable Jim Wright Speaker of the House U. S. Capitol Washington, D. C. 20515

Dear Mr. Speaker:

Pursuant to the provisions of House Resolutions 12 and 330 and House Concurrent Resolution 195, 100th Congress, 1st Session, I transmit herewith Appendix B to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix B consists of the depositions taken by the Select Committees during the investigation. The contents of Appendix B have been declassified for release to the public.

Sincerely yours,

Lee H. Hamilton Chairman

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Preface

The House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, under authority contained in the resolutions establishing them (H. Res. 12 and S. Res. 23, respectively), deposed approximately 290 individuals over the course of their 10-month joint investigation.

The use of depositions enabled the Select Committees to take sworn responses to specific interrogatories, and thereby to obtain information under oath for the written record and develop lines of inquiry for the public hearings.

Select Committees Members and staff counsel, including House minority counsel, determined who would be deposed, then sought subpoenas from the Chairmen of the Select Committees, when appropriate, to compel the individuals to appear in nonpublic sessions for questioning under oath. Many deponents received separate subpoenas ordering them to produce certain written documents.

Members and staff traveled throughout the United States and abroad to meet with deponents. All depositions were stenographically reported or tape-recorded and later transcribed and duly authenticated. Deponents had the right to review their statements after transcription and to suggest factual and technical corrections to the Select Committees.

At the depositions, deponents could assert their fifth amendment privilege to avoid self-incrimination by refusing to answer specific questions. They were also entitled to legal representation. Most Federal Government deponents were represented by lawyers from their agency; the majority of private individuals retained their own counsel.

The Select Committees, after obtaining the requisite court orders, granted limited or "use" immunity to about 20 deponents. Such immunity means that, while a deposed individual could no longer invoke the fifth amendment to avoid answering a question, his or her compelled responses—or leads or collateral evidence based on those responses—could not be used in any subsequent criminal prosecution of that individual, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order.

An executive branch Declassification Committee, located in the White House, assisted the Committee by reviewing each page of deposition transcript and some exhibits and identifying classified matter relating to national security. Some depositions were not reviewed or could not be declassified for security reasons.

In addition, members of the House Select Committee staff corrected obvious typographical errors by hand and deleted personal and proprietary information not considered germane to the investigation.

In these *Depositions* volumes, some of the deposition transcripts are followed by exhibits. The exhibits—documentary evidence—were developed by Select Committees' staff in the course of the Select Committees' investigation or were provided by the deponent in response to a subpoena. In some cases, where the number of exhibits was very large, the House Select Committee staff chose for inclusion in the *Depositions* volumes selected documents. All of the original

exhibits are stored with the rest of the Select Committees' documents with the National Archives and Records Administration and are available for public inspection subject to the respective rules of the House and Senate.

The 27 volumes of the *Depositions* appendix, totalling more than 30,000 pages, consist of photocopies of declassified, hand-corrected typewritten transcripts and declassified exhibits. Deponents appear in alphabetical order.

Publications of the Senate and House Select Committees

Report of the Congressional Committees Investigating the Iran-Contra Affair, 1 volume, 1987.

Appendix A: Source Documents, 2 volumes, 1988.

Appendix B: Depositions, 27 volumes, 1988.

Appendix C: Chronology of Events, 1 volume, 1988.

Appendix D: Testimonial Chronology, 3 volumes, 1988.

All publications of the Select Committees are available from the U.S. Government Printing Office.





Stenographic Transcript of

HEARINGS

10

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

DEPOSITION OF CLAIR GEORGE Friday, April 24, 1987

Partially Declassified/Released on 12-18-87 under provisions of E.O. 12356 by N. Menan, National Security Council

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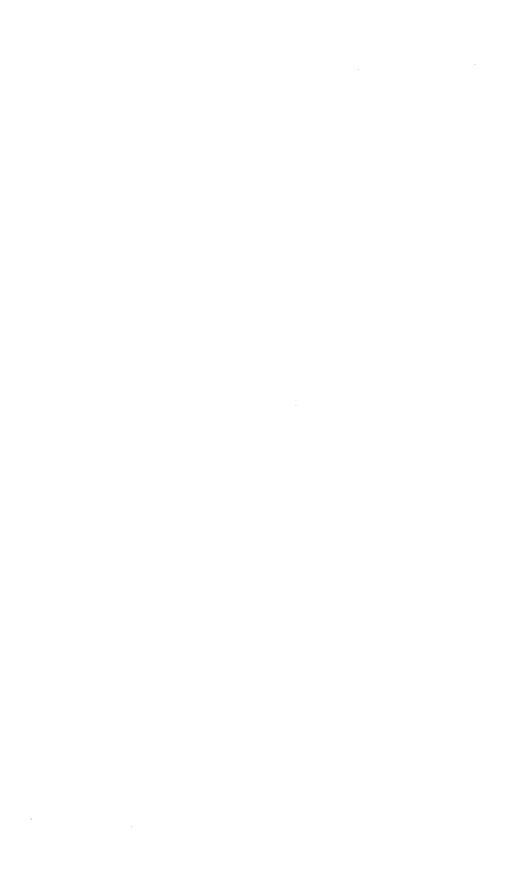
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1	DEPOSITION OF CLAIR GEORGE
2	Friday, April 24, 1987
3	United States Senate
4	Select Committee on Secret
5	Military Assistance to Iran
6	and the Nicaraguan Opposition
7	Deposition of CLAIR GEORGE, called as a
8	witness by counsel for the Select Committee, at the
9	offices of the Select Committee, Room SH-901, Hart Senate
.0	Office Building, Washington, D. C., commencing at 1:15
1	p.m., the witness having been duly sworn by ANNE P.
2	HOROWITZ, a Notary Public in and for the District of
.3	Columbia, and the testimony being taken down by Stenomask
.4	by ANNE P. HOROWITZ and transcribed under her direction.



1	APPEARANCES:
2	On behalf of the Senate Select Committee on Secret
3	Military Assistance to Iran and the Nicaraguan
4	Opposition:
5	PAUL BARBADORO, ESQ.
6	Deputy Chief Counsel
7	TOM POLGAR
8	Investigator
9	On behalf of the House Select Committee to
10	Investigate Covert Arms Transactions with Iran:
11	MICHAEL O'NEILL, ESQ.
12	Associate Counsel
13	NICHOLAS WEISS, ESQ.
14	Associate Staff Counsel
15	On behalf of the witness:
16	DAVID PEARLINE, ESQ.

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1 CONTENTS EXAMINATION ON BEHALF OF WITNESS SENATE HOUSE Clair George By Mr. Barbadoro By Mr. O'Neill 120 7 By Mr. Barbadoro 122 8 By Mr. Weiss 128 By Mr. O'Neill 131 10 By Mr. Barbadoro 11 EXHIBITS 12 GEORGE EXHIBIT NUMBER FOR IDENTIFICATION 13 39 14 39 2 55 16 17 5 84 18 92 19 96

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20

7	PROCEEDINGS
2	WHEREUPON,
3	CLAIR GEORGE,
4	called as a witness in this proceeding by counsel for the
5	Senate Select Committee, having been duly sworn by the
6	Notary Public, was examined and testified as follows:
7	EXAMINATION BY COUNSEL FOR THE
8	SENATE SELECT COMMITTEE
9	BY MR. BARBADORO:
10	Q Mr. George, when did you first become the DDO?
11	A On the first of July, 1984, or thereabouts,
12	early July.
13	Q Can you describe for a novice what your job
14	involves?
15	A I am the Deputy Director of the Central
16	Intelligence Agency for Operations, which I believe would
17	best be described in the jargon of the United States as
18	the chief of the American overseas spy service.
19	Q How much of your time did you spend on hostage
20	matters in 1985 and 1986?
21	A Probably a great deal.
22	Not only was it an issue of great importance
23	to our Directorate and our agency, particularly our
24	Directorate, because of mill Buckley
25	
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1	
2	I don't want to say what somebody at the Tower
3	Commission said, but I suppose, like my friend I had
4	been involved in terrorist activities and hostage affairs
5	more than most people.
6	I would not want to say that I spent an hour a
7	day, but I worried a lot about it.
8	Q When was Mr. Buckley taken hostage?
9	A He was taken hostage, I don't know, in January
10	or February, 1984, and I came to the conclusion, I felt

or February, 1984, and I came to the conclusion, I felt very strongly and I still believe he probably died in the summer of '85. But I think the intelligence was adequate to believe that he died in the summer of '85.

Q When did you first receive intelligence information that led you to believe that Mr. Buckley may have been killed?

A It was that summer.

I think when we, when Benjamin, when Reverend Weir was released, it sort of put the icing on the cake. There had been a lot of talk of his death, reports here,

there.

Now how many people in town knew that, I don't

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know. But I got the point that I went to either Casey or to McFarlane, or somebody. I said look, we've got to quit screwing around with whether he's dead or alive. We've got to find out.

To me, that was absolute monfirmation.

Q Did you try to keep up with what the agency was doing regarding the hostages once Buckley had been taken hostage?

A Yes.

I felt, as I've said to other groups, I think this Directorate, because of its unique overseas responsibilities, plays the lead role, the lead role in doing what it can to help, to assist the American hostages, be they our Chief of Station or some innocent tourist.





I think people recognized that not only should I be interested, considering my position, but because of my background, yes, I was.

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1	So I would think I probably was quite aware of
2	most of it.
3	Q Who in the DO had day to day responsibility
4	for hostage matters?
5	Who was in charge, the highest ranking DO
6	official that had day to day responsibility for hostage
7	matters?
8	A Well, I would say that - we're talking
9	strictly Paul.
10	Q Uh-huh.
11	A I would say the Chief of the Near East
12	Division other than myself.
13	Q And in 1984, who would that have been?
14	A Well, let's see. I think came back
15	tree Committee of the C
16	Q And who page and a second
17	A
18	Q When was that? •
19	A would
20	have been in the of 1985. Excuse me, 1986, I'm sorry.
21	·
22	Q What is the Hostage Location Task Force?
23	A The Hostage Locating Task Force, with which I
24	was involved with Ollie North and John Poindexter, was an
25	outgrowth and you guys are going to have to tell me
	UNCEASSIFIED

_	the time, because I really don't know - two years ago,
2	three years ago was a decision that three was no
3	single government entity that was responsible for
4	collecting and collating all the information on the
5	Beirut hostages and trying to make sense out of it.
6	DEA would hear from an informant involved in
7	the drug traffic.
8	You have to remember that by 1984 well, I
9	don't know about 1984, but certainly by 1985, the world
LO	knew the hostages were a major issue to this country, and
11	everybody was peddling hostage information. Everybody
L2	had a hostage angle.
L3	And our friendly liaison services had hostage
L4	angles, and our enemies had hostage angles.
15	And so, we decided and I remember talking
16	to Ollie and to John and, I'm sure, to Bill Casey, that
17	we should establish a central, multi-agency group,
18	meeting somewhere again, wherever we can find office
19	space, like today to put it all together.
20	And we named a guy called who at
21	that time was probably
22	which has different names, but for our purposes, Paul, to
23	be the chief of the Hostage Locating Task Force.
24	And it would meet weekly, would sift through
25	what was available, and it had a slight operational role,

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10

-	willow was that It there were it multigration and
2	Naturalization, DEA, Customs, had some kind of lead, it
3	could advise them operationally what we would possibly
4	want them to do.
5	Q How does the Rostage Least Task Torce
6	interact with the Chief of the Near East Division
7	regarding the hortages
8	* A We're talking bureaucracy. You had the same
9	bureaucratic conflict with the Hostage Location Task
0	Force and NE that you had then beginning in March, 1986,
1	between
2	These are very complicated problems in terms
3	of boring subject, government bureaucracy, who is in
4	charge of what.
5	The Hostage Location Task Force was
6	 [Pause]
7	A The establishment of the Hostage Location Task
8	Force in 1984 or 1985, I forget 1984, I suspect
9	when it was established, Paul, it was sort of like,
0	again, the problems with and NE. I had to define the
1	territory, and I defined the territory for the Hostage
2	Locating Task Force as that information and material that
	related specifically to the hostages.
. 3	That cut out a hig bunk of NF's turf. But if
	"DAT OUT AUT A DIG DUDK OF NE'S TUTT. BUT IT

you are going to manage an organization as big as ours, INCLASSIFIED

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_	You're going to have to solt of get them to work together
2	and get them to agree where their turf is. And that was
3	a problem then, as it was later a problem with the
4	and NE Division who was in
5	charge of what, when does an agent suddenly stop being a
6	responsibility of an operating division and become the
7	responsibility of the staff.
8	Q Was Charlie Allen ever a member of the Hostage
9	Locating Task Force?
10	A Up until establishment of
11	I cannot remember that he was.
12	I couldn't swear to that. I mean, I didn't
13	follow the membership weekly.
14	Q Was the only CIA member?
15	A No, no.
16	[Pause]
17	[Discussion off the record]
18	A We're talking about the Hostage Locating Task
19	Force that was established in 1984, to centralize the
20	government's problems with the Beirut hostages.
21	I can't no, there had to be somebody else.
22	But I'm sorry, Paul, I don't remember who it was.
23	Q And if there was an operation aimed at
24	recovering the hostages, who would coordinate the
25	operation? The NE Division or the Hostage Locating Task

Force?

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Contras.

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2	A Oh, I would not let an operation just
3	"happen." Ideal management would still be my principle.
4	We would not allow an "operation" to take place. You're
5	really going to go out and "operate" without both of
6	those entities knowing about it.
7	First of all, NE had the area expertise. Those
8	are where the stations are. Those are where the bosses
9	are.
10	If you are units, you are
11	going to have
12	you've not
13	So the task force, generally, at that point
14	was a staff.
15	Q I want to switch subjects, but, again, talk in
16	general terms about something.
17	How much time did you spend in 1984, 1985,
18	1986, on matters relating to the Contras?
19	A As Michael O'Neill will swear, starting in
20	1982, there has probably been no other subject in which
21	more time and energy was spent, both in this job and in
22	the job I had before this one and in the job I had before
23	that one, emotion, concern, controversy, and anything
24	under the sun, in the last five years at least, than the

13

1	I would be less than honest to say that I must
2	have spent a hell of a lot of time on the Contras.
3	Q How frequently would you meet with the Chief
4	of the LA Division to discuss Contra matters?
5	A I saw all division chiefs at least once a week
6	for an hour, a half hour or an hour Dewey Clarridge,
7	Obviously I was
8	not the DDO under all of that time. But you'd meet
9	regularly.
10	The Contra issue, as a management problem, is
11	so complicated, not only in the field who are these
12	people and what are they doing but back in Washington
13	who are all of us and what are we all doing, that I
14	would never think that any guy in my job
15	before me and John McMahon as my boss, Bob Gates as my
16	boss, would really ever manage all the details. But you
17	would do your best almost certainly weekly, if not
18	more often, to try to get the big picture of it.
19	Q How frequently would you meet with the head of
20	the Central American Task Force?
21	A Well, the first head of the Central America
22	when I was the ADDO, which is deputy to this job, and,
2 2	again. I am not in control of the situation as the ADDO.

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so I am showing up to meetings when the DDO calls meetings, unless he is out of town. I remember meeting

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1	quite frequently with the guy who is now
2	head of LA. He was head of that task force. And I went
3	away. I went off to the Congressional account.
4	And I didn't know that well. But I had
5	met with a lot. I was partly instrumental in
6	putting him where he is.
7	It was a big decision for us, John McMahon and
8	I, particularly in the late summer - early fall, of 1984
9	who's going to run this thing and who's the guy we're
10	going to pick?
11	I have done my best to be as helpful and as
12	cooperative with and the burden he has carried as I
13	could be.
14	Q When did Dewey Clarridge leave the LA
15	Division?
16	A Well, let me throw a day out. He left in
17	September, 1984. He left soon after I took this job. I
18	know that for a fact.
19	Q And isn't it true that
20	the CIA around the same time?
21	A They left together.
22	Q * Also around that time,
23	changed, did it not?
24	replaced I'm sorry, whomever
25	that summer.
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2	job, an assignment that I had not been involved in. But
	Job, all assignment that I had not been involved in. but
3	I knew of and went to
4	So that all took place that summer.
5	Q Also
6	changed around that time.
7	A
8	I think went down in 1985 to replace
9	tell me. I mean, I'm sorry.
10	MR. POLGAR: 1984 June, 1984, more or less.
11	THE WITNESS: He took
12	that right, Tom?
13	MR. POLGAR: Yes.
14	BY MR. BARBADORO (RESUMING):
15	Q So, between June and September, of 1984
16	A The whole team changed.
17	Q The whole team changed?
18	A That's right.
19	Q Is that a usual thing in CIA, to change a
20	whole team at one time?
21	A It is very usual. And when you are running a
22	service that is based on overseas service, a very
23	complicated local service, responsibilities, you often
24	get into a fixwe face it all the time with the
	ambassador screaming at us, that our chief, our deputy,

16

1	and the number three guy will all leave.
2	This, however, was a total coincidence:
3	John McMahon and I decided that Dewey had so
4	many problems on the Hill, as Michael will remember, that
5	it was critical to get him out of that job.
6	We went John and I talked about it a great
7	deal that summer, and John and I went to Casey, and Casey
8	agreed, and we brought in
9	We moved Dewey to Europe. We moved
.0	la-la-la.
1	sort of left simultaneously, and I don't
.2	quite know how.
.3	Q He was removed before his tour was completed?
.4	A Who
.5	Q A
.6	A Okay, you've got me now.
.7	Q Do you know why he was removed?
.8	A No, I don't. I'm sorry, I don't.
9	I don't know that.
0	I know he was gone. I know he was looking for
21	a job, and I know that without an intervention, which
22	would have helped, he ended up
23	
24	Q You, then, were not involved in making a
25	decision to replace
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1	A I could have been. I can't recall.
2	Q You can't recall that?
3	How about the decision to bring in
4	
5	He had had no previous experience in Latin
6	America. Why was he chosen to replace
7	A Because in my mind then as now, he was one of
8	the most single, competent case office managers and
9	directors, and the ability to manage the most complex,
LO	difficult, controversial program in the directorate was
1	more important than the background and knowledge.
.2	Now you we'll you'll ask me. Go ahead.
.3	Q Around the same time that this team was
4	changed, there was also a change in the way the CIA coul
L 5	function in Central America. That is, the money had run
L6	out and the CIA was going to be out of the business
L7	because of Boland.
L8	A Boland amendment number two, which I am very
L9	familiar with, because I did the Congress, the
20	Congressional relationships.
21	Q Did the change of team have anything to do
22	with the fact that the CIA's role in Central America was
23	changing as a result of Boland II?
24	A I think it would be better to explain it that
25	we perceived that Boland II had taken place partly

because the team that he run it had not handled it well on their own.

Yes, they are related, although they are not sort of cause and effect: we hear Boland II goes into effect and we, therefore, change.

But the relations with Congress, which were terribly difficult and painful for both sides, caused us to sort of say we're going to have some new faces in here. That may have been part of it the But I can't remember

Q When did you first become aware that the Contras were attempting to obtain aid from third countries?

A Well, as it became evident to all of us who followed it -- and I followed it very closely at that point with the Congressional side -- that the Congress was going to vote to stop CIA lethal support, there was general talk everywhere, by everybody, in the course of events as to what will happen to them and will they be able to find support privately.

So, this general idea began to grow at the time, as Mike remembers. The debate grew hotter and more heated and more heated as to is the Congress going to cut off the funds and when it became evident to the White House -- and I was there -- to the White House

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-	beginstative coansel, who was countring votes one by one
2	I mean, this was a vote, boy, where every guy stood up
3	and said exactly where he is. As it looked like they
4	weren't going to win it, the whole general discussion
5	of which I was never part of a specific discussion was
6	can they go somewhere else to find support rich
7	Americans, the
8	Conservative Party, you name it.
9	Q Was there discussion in the agency about how
.0	they were going to support themselves?
.1	A Oh, I think anybody associated with the
.2	Contras was I don't remember sitting down with Dewey
.3	Clarridge and or even
.4	Bill Casey and saying how are we going to get, how are we
.5	or how are they, but it was, geez, this is an active
.6	military force. It's in the field, operating.
.7	The legislative advisors to the President are
.8	arguing if he is serious about supporting them, that they
.9	will not stop fighting another year for money. This
0	wasn't one of these votes where, I'm very sorry, but the
1	abortion vote is over and we can't bring it up again. It
2	was we will come back and vote again.
:3	It was always as it is today, that the
4	President will never stop, rightly or wrongly, pushing

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for support, military support, through us to the Contras.

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So, Boland I, when the argument was to overthrow the Government of Nicaragua is illegal, and Boland II --I mean, these are not the technical names. this as the jargon titles -- which was no military support, and Boland III, which was the most complex of all, which was you can do this and not that, and that but not this, and you can supply this but not that.

All through there, the administration position was we're going to get the agency back into this thing. It's sort of saying well, how will they continue then if there is no agency?

Well, they'll go out and get some money.

- Do you recall anybody in the OGC being asked to do research on whether anyone in the CIA could solicit aid for the Contras from third countries?
 - I don't.

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- Was there any specific discussion in 1984 in the agency concerning soliciting third countries for aid?
- It's critical to remember that with each of these laws, the discussion was intense and detailed as to what is the CIA allowed to do.

It was certainly detailed with me because I am the guy, after I became DDO, and even in the other jobs, who has to worry about the legalities of our positions. What the hell does the law mean if it says we're not

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1	allowed to overthrow the Government of Nicaragua, and
2	yet, we're down there making war?
3	How much war do you make before you are not
4	overthrowing the government? At the point when there is
5	no more aid, but the White House says we're going to go
6	back and fight for it again, I'm sure there is a
7	discussion well, if we can't give aid and we have good
8	relations overseas, could we go to an another and
9	ask for money.
10	Those debates went on continuously, and were
11	reviewed, and I'm sure probably reviewed by OGC, although
12	I don't remember specifically.
13	Q Do you recall specific discussions about
14	people in the CIA going to third countries to get aid for
15	the Contras in 1984?
16	A No.
17	I remember discussions of were they allowed.
18	And I think that the decision was made that we were not
19	allowed.
20	Q Do you remember who told you that or who made
21	that decision?
22	A No.
23	Q Do you know whether anybody in the CIA did
24	contact any foreign governments to determine whether
25	these foreign governments would be interested in giving

aid to the Contras in 1984?

2	2	

2	A No. Never.
3	Q In October of 1984, you became aware that
4	Adolfo Calero had gone to solicit aid, didn't
5	you?
6	A I didn't. I mean, I may have known, but I
7	don't remember.
8	It may have been public knowledge, but I don't
9	remember it.
10	Q Well, unfortunately, I can't show it to you
L1	because the NSC wouldn't let me take it here. But I will
12	represent to you that the NSC has a TD that you signed on
13	October 12 and two more on October 15, that describe a
14	meeting or meetings that Adolfo Calero had with
15	to discuss
16	the possibility of receiving aid.
17	Does that ring a bell to you?
18	A Let me make one thing perfectly clear here.
19	. I have to tell you what I told the Tower
20	Commission and the SSCI guys.
21	It's like every State Department telegram says
22	"Shultz." Please, just because my name's on it
23	Q I understand. I understand that.
24	A If I signed a TD that said Calero went to look
25	for aid I'm sure I signed it. But, so help me
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1 god, I don't remember it. So you have no memory --٥ I do not remember that incident at all -period. MR. O'NEILL: Excuse me. Was this a TD or a memorandum of dissemination? 7 MR. BARBADORO: It's a TD. MR. POLGAR: But it must be a memorandum of dissemination. THE WITNESS: TD's are the electric things, 10 11 Paul, that don't have anybody's name on them. But, I 12 mean, the Tower Commission suddenly whipped something in front of me and said did you sign this, and I'm sorry, I'm not showing off, but I said oh, god, I don't know. 14 BY MR. BARBADORO [RESUMING]: 15 Let me ask you about something related to 17 that. 18 Do you have any recollection of a solicitation that General Singlaub made in January of 1985 to 19 20 for aid to the 21 Contras? 22 There has recently been a series of cables 23 from which he categorically stated that the accusations made 24 25 by Christ knows whom, that he had helped Singlaub solicit

funds from is untrue. And it's possible that he said in that that he, that everybody knew Singlaub was there and what Singlaub was doing there. And he reported that at the time, and asked for our advice.

Please allow me to check the record, but I am close to this.

He asked for our advice.

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and we went back with a cracker

12 saying you stay away from this.

You see, the day that Boland II passed, which was effective, I think, Michael, the first of October, 1984 --

16 MR. O'NEILL: Right.

THE WITNESS: We sent out, I mean, I had been in Congressional Relations. is new. John McMahon is concerned as hell. We sent out a message that sent boy, if you see anybody coming around, looking for funds for the Contras, head for the hills.

BY MR. BARBADORO: [RESUMING]

Q So you would have told anybody in the CIA that was contacted about soliciting funding for the Contras, your message was you can't do it, don't participate in

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1	it?
2	A That's my message. That's my message, as far
3	as I remember it.
4	Q Do you recall communicating to Colonel North
5	in Late January - early February of 1985, the fact that
6	General Singlaub had gone to
7	solicit assistance for the Contras?
8	A Me?
9	Q Yes.
10	A To Ollie? I could have. I don't remember.
11	I mean, I talked to Ollie all the time. So I
12	may have told him that.
13	I can't say I did. I can't say I didn't.
14	Q When did you meet Oliver North?
15	A Probably 1983, at the Congressional job. He
16	was attending meetings. It was sort of hi, there, how
17	are you.
18	Q And when did you start having frequent contact
19	with him?
20	A Probably soon after I became the DDO, because
21	it soon became evident that Oliver North had been charged
22	by the administration to seek private funding for the
23	Contras. And out of that grew the most complex foreign
24	policy I have ever beheld, and that wasn't a two-track
25	policy. It was a three-track policy.

 You've got the State Department conducting normal diplomatic relations -- abnormal-normal diplomatic relations -- with Shultz flying to Managua. You have the series of Motley, and before him, Enders, and assistant secretaries making secret contacts. You have the whole diplomatic world.

Then you had had off and on the Central

Intelligence Agency involved with the military side, now

cut out of the military size

cut out of the military #150

Now you have the United States Government

Now you have the outless places dovernmen

supporting private funding of the Contras.

So, North becomes a very critical player here, only because North is tripping all over us, or we over him, in Central America, in addition to which if you wanted to deal with hostages, you dealt with North, if you want to deal with terrorism, you dealt with North, if you want to deal with something else -- et cetera.

So, I had relations, not personal at all, but on the phone -- what's this, what's that. It started quite intensely.

Q How frequently would you talk to him on the phone once you became DDO?



-	A On, I would say when he was in count of I was
2	in town, we probably talked on the phone once a week,
3	twice a week.
4	Q How frequently did you meet with him?
5	A Meetings? I never met alone with him. If
6	there would be a meeting I mean, god, he was at every
7	meeting ever held in the Situation Room. What the
8	subject was there was Oliver North.
9	I met with him on many not many, but
-0	several occasions at the agency on both this and the
.1	Iranian issue.
.2	Q And you don't recall ever meeting with him
.3	alone?
.4	A Oh, I'm sure I met with him alone. But, I
.5	mean, most of the meetings that I had with him were in
.6	groups. I'm sure I'd sat alone with Ollie.
.7	I've been in Ollie's office in the Old
.8	Executive Office Building with him alone. But I don't
.9	remember a pattern of meetings alone.
0	Q You understood Ollie was involved in private
21	fund raising for the Contras?
22	A Uh-huh.
23	Q What did you understand his involvement to be?
24	A That he was raising money from private sources
25	to give to the Contras.



-	a pro for anderstand that he was soficiting
2	money from third countries for the Contras?
3	A Not really well most of the time,
4	throughout that affair, Paul, I felt, till the end, that,
5	whereas there was solicitation you'd hear about
6	Singlaub, we'd be travelling or something. But I felt
7	most of the money was coming from, I thought right till,
8	I still do, except I guess it isn't true, was coming from
9	private Americans, wealthy private Americans.
10	Q But did you know that Ollie was specifically
11	contacting third governments or having other people
12	contact third governments?
13	A Oh, god, he was in touch with very third
14	government. I mean, Ollie would fly to Central America
15	and he would go down with Bud, or he would go with
16	somebody and meet
17	
18	I don't remember. oilte travelled. Ollie
19	would be in Europe, Ollie would be here.
20	Q But do you remember having any, contacting any
21	
22	A I do not specifically remember him contacting
23	a third country to seek money, no.
24	Q Did you know that in 1985, that General
25	Singlaub was working for Ollie on certain matters

Τ.	regarding the Contras:
2	A No.
3	Q I want to get back to this General Singlaub
4	meeting with officials from
5	read you something to see if it refreshes your memory.
6	It's from a February 6, 1985 memorandum, from Oliver
7	North to Robert McFarlane.
8	Our reference is it begins N-7013.
9	A What's the date again?
10	Q The date is February 6, 1985. The part that
11	concerns you I will read to you.
12	A Please.
13	Q The sentence begins, "Regarding the first
14	matter, as a consequence of General Singlaub's recent
15	trip, have indicated
16	that they want to
17	help in a 'big way.' Clair George has withheld the
18	dissemination of these offers and contacted me privately
19	to assure that they will not become common knowledge."
20	Do you recall doing what Ollie says you did
21	here?
22	A No, I don't. I would find it most remarkable
23	if I did, but I don't.
24	Q Do you deny that you contacted Ollie
25	concerning General Singlaub?



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I cannot remember that. I mean, I would be 1 shocked and I would forget that if I had done it. 2 No, I don't remember that. Tell me that one more time -- that I knew? Q I'll read it to you again. 5 "Regarding the first matter, as a consequence 6 of General Eduquato's recent trip" -- that is, a trip to 7 solicit aid for the Contras --8 n indicated 9 10 that they want to help 11 in a 'big way.' Clair George has withheld the dissemination of these offers and contacted me privately 12 to assure that they will not become common knowledge." 13 I can't believe that. 14 I mean, if that means what it says, that the 15 - is that the 16 way you interpret it? 17 18 That's right, I don't believe that. I mean, I couldn't. 19 would be impossible. 20 I don't 21 We should ask believe that. 22 No, I don't recall that. 23 Let's take this apart, then. 24 Q Can you recall then --25

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1	MR. PEARLINE: Paul, would it be possible to
2	show it to him?
3	MR. BARBADORO: I would be happy to show it t
4	him. I've read it to him twice.
5	BY MR. BARBADORO [RESUMING]:
6	Q I'll represent to you that the only part of
7	the memo that concerns you is that one paragraph. But
8	you're welcome to look at it.
9	[Pause]
10	MR. POLGAR: Off the record.
11	[Discussion off the record.]
12	MR. BARBADORO: Back on the record.
13	THE WITNESS: Are we back on the record?
14	BY MR. BARBADORO: [RESUMING]:
15	Q Yes.
16	A We are back on the record.
17	No, it makes no sense to me at all.
18	Q Let me take it apart and talk about the parts
19	of it.
20	To your knowledge, did your CIA
21	ever receive
22	information that General Singlaub had producted
23	
24	<pre>nd requested aid for the Contras?</pre>
25	A I think may have known that. And

it's possible that

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reported that.

2	Q What is the basis for your conclusion that
3	they may have done that?
4	A Memory. It is either a matter of record, or
5	they didn't.
6	I mean, they cabled in and said Singlaub is
7	and Singlaub is seeking
8	money for the Contras. And if we did what we should hav
9	done, we cabled back and said have nothing to do with
10	him, it's his business, it's
11	
12	Q Ordinarily, what would you do with that
13	information once you received it, other than to kick it
14	back?
15	A Probably nothing.
16	I probably would not disseminate. I mean, if
17	I had a cable in free and it said
18	that General Singlaub was and he had heard
19	that Sinclaus was seeking private
20	assistance to the Contras, I would probably not dissem
21	it.
22	Now, that means I would not make it an
23	official intelligence dissemination. I might share it
24	with Casey, I might share it with the National Security
25	Council.

1	Q Do you have any recollection of sharing it
2	with Ollie North?
3	A No, I don't.
4	Q Is there any reason why you would give the
5	information to Ollie North and withhold dissemination of
6	the offers so that they would not become common
7	knowledge?
8	A Well, I would assume that if Singlaub was out
9	seeking private funds for the Contras, he was seeking
LO	them on behalf of the National Security Council.
11	Q Why would you assume that?
L 2	A Because the National Security Council and
L3	Ollie North, we have already said, has been given the
L 4	responsibility of seeking private funds for the Contras
L5	Q So, if you would have done what it said in
L6	here, you would have done it because you would have
L 7	assumed that Singlaub was acting on behalf of Ollie
L 8	North?
L9	. A Probably.
20	Q So that we are clear, you don't have the
21	recollection of
22	A Of that incident. But it's not a world I've
23	never heard of.
24	To your knowledge, #14
25	ever give money



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-	
2	A Not to my knowledge.
3	Q Did your knowledge, did they ever give money
4	to Ollie North or anybody working with Ollie North
5	A Not to my knowledge.
6	Q has said that he was asked
7	to give a bristing
8	about the status of the Contras in 1984.
9	From whom would he have gotten that
10	instruction, to give that kind of briefing?
11	A Gee, I don't know, Paul.
12	Marie Control of the
13	
14	Q No. This was while he was head of the Central
15	American Task Force.
16	A I don't know.
17	You could ask him.
18	Q Do you have any recollection of giving such an
19	instruction to
20	A I do not.
21	I might have, but I do not.
22	I would not be opposed to asking the chief of
23	our Central American Task Force to brief
24	on the status of Central America,
25	the Contras, the Sandinistas.

1	We were briefing people at all times. But I
2	don't remember. I may have, but I do not remember giving
3	that
4	Q Are you aware of any attempt by any United
5	States Government official to solicit aid from
6	for the Contras?
7	A No.
8	but I
9	didn't know about it.
10	Q Do you know whether Director Casey ever
11	approached anybody in
12	request aid for the Contras.
13	A There was a rumor I don't know that. I
14	would find that very unlikely.
15	I might say here that it was my impression
16	throughout this affair that Director Casey was fully
17	aware of the restrictions on as he treated me, he was
18	fully aware of the restrictions on the agency. I would
19	be very surprised if William Casey made a direct approach
20	to any foreign government, because he realized the
21	complexity of the legal arthation.
22	
23	
24	
25	The second secon
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1		
2	× ×	N
3	I am familiar with his trans	,
4	and we had our guys with Bill Casey almost 24 hours	
5	day, and he didn't do that.	
6	You know, this is a personal opinion, but I	
7	would be shocked if Bill Casey were out soliciting. But	t
8	I can say say to t.	
9	Q Are you aware of a trip that Dewey Clarridge	
10	made to in 1984?	
11	A Yes, I am.	
12	Q Wasn't one of the things he did when he was	in
13	to discuss the Contra situation with	Ì
14	ů .	_
15	A He talked to about Central	
16	America	,
17		
18	Q Did they talk to you about the possibility o	f
19	giving aid to the Contras?	
20	A I do not remember that.	
21	Q Was Mr. Clarridge given the assignment to go	
22	to discuss the possibility of obtaining	
23	aid for the Contras?	
24	A Not by me, and not to my knowledge.	
25	Q And do you know whether he asked for	
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1	assistance for the Contras when
2	A I can't believe he did because the meetings he
3	attended he attended with
4	would have heard about it.
5	Q When do you first recall hearing General
6	Secord's name?
7	A I met Secord I didn't tell the SSCI.
8	Secord was in the room on Saturday, the
9	Q Eighteenth of January?
10	A Eighteenth of January.
11	Q Was that the first and only time you've met
12	him?
13	A And only time I met him. So I had not heard
14	about him.
15	Q Had you ever talked to him prior to that date?
16	A Never never again.
17	I was introduced as, "General Secord, this is
18	Clair George. General Secord is a consultant to the
19	National Security Council." I said whoopie.
20	Q General Secord's name and his association with
21	Edwin Wilson and that group is now well known.
22	A Uh-huh.
23	Q Prior to the publication of the Iran arms
24	deal, did you know that Secord was associated with Wilson
25	in any way?

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UNCLASSIFIE I knew it, from the Inspectors General 1 at the agency and gossip in the halls. And then I knew 2 it from not Maas's book but the first Wilson book, the name of which -- I knew Secord. MR. POLGAR: "Death Merchant." THE WITNESS: "Death Merchant." And I knew Secord was part of that. 7 To answer a question that has not been asked, I brought all of this to Bill Casey's attention and so did Stanley Sporkin, and so did John McMahon, and that 10 11 was that. 12 BY MR. BARBADORO: (Resuming) 13 I want to get into that. It's fair to say you were concerned about this 14 Iran arms initiative for several reasons. One of them was the involvement of Secord, isn't that right? 16 That's right. 17 I want to get into that a little bit. 18 I want to make it clear on behalf of Mr. 19 Secord that I was not holding any information that he was 20 legally guilty of something. It was just a name that had 21 been associated with problems for the Central 22 Intelligence Agency. 23 I want to talk about something a little bit 24 earlier, and that was the information that was obtained

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1	by the CIA in March of 1985, that General Secord was
2	involved in a purchase of arms for the Contras from
3	
4	Do you recall getting information in March
5	that General Second was involved in obtaining weapons fo
6	the Contras from
7	A Paul, we had several reports of Secord and
8	Singlaub free-booting it around the world, and I'll be
9	damned if I can remember that.
10	I think on one of them, there was a lot of
11	reporting. It may have been
L 2	that he wanted things shipped and he didn't want
L3	them shipped, and he got them, or he didn't get them.
L4	I'll show you some cables.
L5	Q Please
L6	MR. BARBADORO: I'd like to mark as George
L7	Exhibit 1 the cable dated 5 March, 1985.
L8	[The document referred to was
L9	marked George Exhibit No. 1,
20	for identification.]
21	MR. BARBADORO: And as George Exhibit 2, a
22	memorandum for Assistant to the President for National
23	Security Affairs, not dated, signed by Clair George.
24	[The document referred to was
25	marked George Exhibit No. 2,

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1	for identification.]
2	THE WITNESS: Question: do we know if I
3	really signed it? I mean, my name is all of them.
4	BY MR. BARBADORO: (Resuming)
5	Q I understand.
6	A You don't know?
7	Q As far as I know, that was obtained from the
8	CIA. I believe it's a copy of what actually went to the
9	Assistant to the President.
10	A All of those have my name typed at the bottom,
11	and some I signed and some I didn't. I don't remember.
12	Q I think this is and we are speaking now of
13	George Exhibit No. 2 that this is a CIA copy of a
14	memorandum that went over to the Assistant for National
15	Security Affairs. 7
16	A I do not recall either of these documents.
17	Let me retract that.
18	I do remember something about a
19	But I don't remember that one. And I don't remember what
20	I remember.
21	Q Mr. George, isn't it true that one of your
22	interests in 1985 was how the Contras were obtaining
23	arms?
24	A One of my interests? What do you mean?
25	Q Isn't that one of the things that you were
	E = TOP SECRET/CODEWORD

1	concerned with in your job as beputy Director for
2	Operations?
3	A Well, I don't think that quite states it
4	fairly.
5	Q Well, I don't want to put words in your mouth.
6	A There is a great debate whether we had any
7	interest in that subject.
8	The accusation is generally why did you not
9	investigate that subject more closely in 1985.
10	To answer your question, did I, Clair George,
11	have great personal interest in how they were getting
12	their arms, yes. I was sort of like everybody else in
13	town how the hell were they getting their arms?
14	Did I, Clair George, Deputy Director of
15	Operations, consider it to be a critical intelligence
16	collection activity? The answer was no.
17	Q Wouldn't it be important to you to know that
18	the Contras were receiving SA-7 missiles?
19	A Yes. And I think we had in fact, I know
20	from that we had a pretty good picture of
21	what the arms were, of what they were receiving. But I
22	would not want to say that it was a very big, important
23	issue on my plate.
24	Q Having looked at George Exhibits Nos. 1 and 2,
25	do you recall whether you knew in March of 1985 that
	UNCLASSIFIED

General Secord was involved in purchasing SA-7 missiles

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2	and other weapons for the Contras?
3	A I can't remember that, Paul.
4	I mean, I knew, again it's very important -
5	- I knew the White House, through Oliver North and I
6	have already met at this point Second, so I know he's in
7	this game are out in the arms business.
8	Q This is 1985.
9	A This is 1985? Oh, I'm sorry.
10	Q It's 1985. You wouldn't have met them until
11	1986.
12	A Oh, I'm sorry.
13	I knew Oliver North was out in the arms business,
14	and I must have assumed, and I would certainly not have
15	been surprised that Secord may be assisting him.
16	I certainly knew and would not have been
17	surprised that Singlaub was assisting him because the
18	game was for the White House to get private support for
19	the Contras.
20	Q In 1985, you knew Oliver North was involved in
21	raising money for the Contras, you thought primarily from
22	private Americans.
23	A Uh-huh.
24	Q Did you also know around that time that North
25	was playing a role in obtaining weapons for the Contras?

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A Well, the way it works is you get the money.
Now if you work under the theory that we now know isn't
the way it really worked, rich private Americans give you
a lot of money. Now you can't go buy weapons in the
United States, for a variety of discrete security and
good taste and legal reasons, so you go abroad and work
the international arms market

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money -- and it was assumed he was getting some because . the arms were going to the contras and somebody was paying for it -- we assume that Oliver North is using someone to work the international arms market. We now know that's all true.

Did North ever say anything to you about that?

So if Oliver North were to have got a lot of

- North never discussed that with me.
- And you never asked him about it?
- No, I didn't ask him about it.
- What I'm getting at here is I'm trying to determine when you first knew that Secord was involved in supplying the contras.

To answer that fairly, I must have known then, if I read that cable, and I would have, I think, Paul, to be as honest as I can be, that if I would have read a cable that Dick Secord was overseas buying a lot of arms

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for the contras that I would have probably assumed at the 1 time that that was part of the deal. 2 When did you know that Secord and North were 3 associated together in their efforts on behalf of the contras? Well, my mind is so riveted on the day when I A 7 saw them both standing there together that I might have to say if there was ever any question, that was the day, in the White House situation room. 9 When did you learn that Secord was associated 10 with the private benefactor, what's been called the 11 private benefactor resupply effort in the spring of '86?' 12 Geez. I don't know. I suppose I found out 13 when it sort of became public. 14 Which was? I mean not until after November of 15 186? 16 November October. I may -- well, let's not--17 Maybe he knew. He was down there I could say as 18 somewhere. Everybody -- Secord, Singlaub, they are here, 19 they are there. You don't need a Ph.D. to figure out 20 that they are using money to go buy arms, we think. 21 When did you first hear the term "private 22 benefactors" 23

24

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Probably in the spring of '86. I never heard

it quite so -- you know, they were people up to then. To

	TOP SECRET/CODEWORD 45
1	get your own titl prosenty took place in the spring of
2	'86.
3	(Laughter.)
4	Q Who did you understand these people to be?
5	A Well, I sort of understood them to be more of
6	the crowd that was increasingly successful gathering arms
7	on behalf of the White House for the contras.
8	Q Did you know any names?
9	A Hasenfus I found out later was one of them;
10	Felix Rodriguez. I mean, Paul, I don't dig down into
11	that thing that deeply.
12	Q Let me ask you the question directly. Did you
13	know that Oliver North was working with these people who
14	had been called the private benefactors?
15	A I assumed it all along, absolutely.
16	Q And did you ever receive any direct evidence
17	that he was?
18	A No, because this is a very important point for
19	which Michael has heard the arguments, the Agency can be
20	criticized. We were so concerned that we were enjoined
21	by the law of 1 October 1984 from giving any support to
22	the contras that the subject was so emotional and
23	controversial that we went out of our way and tried not
24	to learn what was going on.
25	We also have and I have said this to a

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1	variety of people in various testimonies you've got to
2	remember that you can't take your spy agency and beat it
3	around the ears for a decade to stay away from Americans,
4	don't report on them, don't do this, don't do that if
5	you see one coming, go somewhere else and then jump
6	all over us because we are not reporting on Americans.
7	That's not a totally fair argument, but within some
8	emotional degree it's not that bad.
9	MR. MOFFETT: Clair, do you need a break right
10	now? Would you like to take a couple of minutes?
11	MR. BARBADORO: Let's take a little break.
12	(A brief recess was taken.)
13	BY MR. BARBADORO: (Resuming)
14	Q Mr. George, a couple more questions about
15	George Exhibits 1 and 2. On George Exhibit 1 there are
16	some cryptonyms at the top. Can you just tell me what
17	those are?
18	A Well, means that it's more secret than
19	most things, and I have no idea in the world what any of
20	the others are.
21	(Laughter.)
22	Tom's an old expert. Tom, if you know, you'll
23	have to come back to work.
24	MR. POLGAR: Well, I wouldn't do that.
25	(Laughter.)
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1	THE WITNESS: Just because we have cryptonyms
2	doesn't mean we know what they mean, Paul.
3	MR. POLGAR: The first one means that it's
4	business of the Directorate of Operations.
5	THE WITNESS: You are worse than
6	that. I knew that.
7	MR. POLGAR: The means
8	somenow, because it comes from
9	
10	THE WITNESS: It is
11	They have a whole series of
12	cryps.
13	MR. POLGAR: The other three I would take to
14	mean refer somehow to the project, operation cryptonyms.
15	They all start with You should know what is
16	for.
17	THE WITNESS: That is what you lawyers are
18	there for.
19	MR. POLGAR: Is that
20	MR. PEARLINE:
21	MR. POLGAR: Yes,
22	THE WITNESS: That is the last time Paul is
23	going to ask that question.
24	MR. POLGAR: They are distributional
25	indications.
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1	MR. PEARLINE: Maybe it's
2	(Laughter.)
3	BY MR. BARBADORO: (Resuming)
4	Q I will drop that line of questioning. Let me
5	ask you about George Exhibit 2. I have been told that
6	it's unusual that this kind of memorandum would be sent
7	only to one person. This one is sent to the Advisor for
8	National Security Affairs. Do you know why that would
9	have been sent to only one person?
10	A I would suspect let's see. What is the
11	date here? What did we say the date is?
12	Q It refers to this cable in March of '85.
13	A I would suppose this was sent privately to Bud
14	McFarlane because we presumed Bud McFarlane in the
15	National Security Council may be involved in it.
16	Q Okay. Just so we are clear, tell me the basis
17	for that assumption.
18	A The National Security Council has I was not
19	there, but everybody above GS-10 knows the National
20	Security Council has been charged with seeking private
21	support for the contras. This is no secret. The CIA
22	runs across a piece of intelligence that says somebody
23	somewhere is buying arms on behalf of somebody from the
24	contras.

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Now what does CIA do when it has intelligence

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_	that specifically refers to something; we have
2	information that the President of a country dislikes
3	George Shultz, so we will send it to George Shultz, eyes
4	only. If we find out that the Chairman of the Joint
5	Chiefs has made an ass of himself on his trip to France,
6	we'll send it to him only.
7	I presume, Paul, we sent it to Bud McFarlane
8	because someone presumed that he would be the guy that
9	knew something about it.
10	Q All right. How did you think the southern
11	front military commanders were going to survive during
12	the period of Boland II?
13	A I honestly can't answer that. I mean, I don't
14	know. I don't know what you mean, I guess.
15	11 Q The reason I ask is I sat through a deposition
16	with and watched a 20-year CIA egent break
17	down when he discussed the condition of the
18	southern front. It was obvious to me that he felt a
19	great deal of responsibility for those southern front
20	commanders.
21	A Absolutely.
22	Q They were in the field. They weren't being
23	supplied. They were getting sick. They were going
24	without food. They were going without weapons. What I
25	want to know is what did you think was going to happen to
	# 1 MADEST CRIPY CONFWORD

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1	these people that the CIA played a role in sending out
2	into the field?
3	A Well, let's be very honest now with each
4	other. The Congress had cut off the support.
5	Q I'm not blaming. I don't mean to blame the
6	CIA.
7	A I've been through this thing now for a long,
8	long time. I wish them well, Paul. It's a very
9	complicated life here in Washington. It's going to
10	happen again. We're going to get about
11	and then we're going to cut off the aid
12	again. There's going to be another There
13	are going to be people in tears. But I'm not here to
14	give a lecture on foreign affairs. We've got to get it
15	straight.
16	We can't get in these things
17	We have done it in Nicaragua. And I'm not even
18	arguing it was the right thing to do at that stage.
19	That's ever man's political position. But I have been at
20	this a long time, and if there's a criticism of this
21	country that should be leveled at it in the world of
22	foreign affairs, it's that you can't count on us.
23	And there's a good argument. Michael knows
24	better than I that we probably shouldn't get into the
25	goddam things even if they are wrong. Of course, I
	unct-assified

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_	modely. I modely amount one proper and I can amount
2	full well.
3	What did Clair George think? Clair George
4	thought holy God, here we are again. Another mess.
5	Q But you knew that there was nothing you could
6	do unless Congress was willing to vote more aid?
7	A See, coming out of a Congressional job gave me
8	a different approach than many of the guys in the
9	Directorate in that I appreciated the dynamics of the
10	Congress. I appreciated the opposition in the Congress
11	and I appreciated the arguments against it. But this was
12	the law of the land. This was what the Congress of the
L3	United States had decided.
L4	Hour . The Central Intelligence Agency was out of it.
15	Now I wasn't you know God bless was
16	down there. These are people he knows and lives that he
17	cares about personally. I am cut out of it a bit. I am
18	farther away. But I know what you are saying. But I,
19	Clair George, said that's the price of an ongoing
20	democracy.
21	Q Did you know in the period of March through
22	September of 1986 that was providing flight
23	vector information and intelligence information to the
24	southern front forces in connection with lethal resupply
25	drones?
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_	A NO.
2	Q Did you read the cahle traffic to the
3	Central American Task Force from
4	A Paul, you know, when cables a month.
5	I may have read some; I may not have read some. My
6	memories of the issue were that as the "private
7	benefactors", who we've already agreed by now have a
8	title, which means they are getting to be a big show, as
9	the private benefactors went roaring down there,
LO	particularly in what struck me on the wings of HHAO,
L1	which was your famed Nicaraguan
L 2	MR. PEARLINE: Humanitarian Assistance.
L 3	THE WITNESS: Humanitarian assistance program,
4	it went from some sort of people trying to buy arms and
15	shipping them to a big-time operation. We ran more and
.6	more head-on into the private benefactors and in
٦.	countries down there, in varying degrees, we had
.8	that were sort of saying, geez, here are these
.9	guys, particularly Where When
20	
21	
22	who was sort of saying, goddam it, what the hell's
23	going on here, and we're giving them this dumb CIA answer
24	it's none of our business.

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1	away from them. Don't get near them. This was the
2	problem with poor
3	some poor
4	and said hello to somebody and now he thinks he's going
5	up-river. All these issues were very complicated.
6	someone told me, solved this problem, no
7	trouble.
8	I mean, how silly can the law become? I mean,
9	America looks ridiculous to legalize a war in such
10	detail. I remember once driving through the streets of
11	with
12	those M-16s those guys are holding, those 16-year-old
13	soldiers? They are allowed to shoot at
14	terrorists, communists, but not criminals, rapists. I
15	mean, you know, we make life very tough for ourselves.
16	No, I didn't know that had a trouble down
17	there at that point.
18	Q When did you find out that he was
19	A Sometime in the fall of last year, and I don't
20	have any paper on it. People began to worry about
21	and people were saying I know about
22	about and Clair gave the standard answer 101
23	please make sure he's not breaking the law. Make sure he
24	understands the problem.
2 6	o when all you find not that he had been taking

E	A
2	4

1	Instituctions from office worth:
2	A In the fall. I don't know. I wish I had that
3	date because I've been asked by a lot of people,
4	including Gates a couple of times. I don't know what day
5	it was, but suddenly one day I was told he's got a radio
6	that Ollie gave him.
7	Q Would it have been after Hasenfus or before
8	Hasenfus?
9	A Give me a date for Hasenfus.
10	MR. POLGAR: Five October.
11	THE WITNESS: I would think after, Paul. I
12	wouldn't want to have my feet held to the fire, though.
13	BY MR. BARBADORO: (Resuming)
14	Q Okay.
15	MR. POLGAR: Off the record.
16	(A discussion was held off the record.)
17	MR. BARBADORO: Let's go back on the record.
18	BY MR. BARBADORO: (Resuming)
19	Q Let's turn to a different subject and get back
20	to hostages. Do you recall an operation to free the
21	hostages starting in 1985 that involved DEA agents and
22	their informants in Lebanon?
23	A Yes. You're going to have to remind me of the
24	details, but at the Hostage Location Task Force DEA came
25	up with someone at about that time who was going to be
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1	able to help free the hostages.
2	Q What did that plan involve?
3	A I don't remember.
4	Q Well, what can you remember about it?
5	A That they had informant who, and again,
6	like everybody else knew somebody who knew where they
7	were and there was going to be money involved. I'm sorry
8	I don't really remember the details.
9	Q Let me mark as George Exhibit 3 a memorandum
10	of June 7 from Robert McFarlane to Oliver North, subject
11	Status of the Hostage Recovery Efforts.
12	· (The document referred to was
13	marked George Exhibit Number 3
14	for identification.)
15	MR. MOFFETT: Excuse me. June 7?
16	MR. BARBADORO: June 7, 1985.
17	BY MR. BARBADORO: (Resuming)
18	Q Mr. George, take a look at George Exhibit 3.
19	Specifically there are two operations described, one
20	beginning on page two, DEA operation, and that may
21	refresh your memory.
22	(Pause.)
23	A I do not remember this. This is typical of
24	case after case after case of bums, crooks, and petty
	Von and T don't want

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to denigrate this particular operation, but every guy in

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2	the world you see, the way to handle the hostage
3	business is the way you do it in the United States.
4	Somebody says to and
5	
6	
7	But I'm sorry, Paul. I don't know any part of
8	this that I can remember. I remember DEA having contacts
9	in Beirut
10	and I can remember the Hostage Location Task Force
11	following up with this and at that time it was probably
12	but I don't remember the details.
13	Q If an operation like this were to involve CIA
14	would you have to
15	approve that operation?
16	A I have been through this a lot, so I really
17	know what this is all about. These guys would come out
18	and I don't know that one (indicating), and we may have
19	gotten involved in, so that doesn't mean that we didn't
20	(indicating). And they would say we're in touch with
21	someone in Lebanon who can get you a hostage for money.
22	I worked under what we later learned or knew
23	was not the well, it's all arguable. We can get into
24	that later. But the Henry Kissinger 1975
25	kidnapping/hostage policy, which is you don't trade



The whole concept of money, private money and government money, is always there. Ollie North always sort of implied when we were talking about the hostages that if I ever thought that I needed money and that policy dictated it, but I didn't want to take it from CIA funds because

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they are Congressionally-controlled, he could get money.
I would imagine I could name three names that
I could pick up the phone tonight and say Tom Polgar's
son is being held hostage in South Yemen and I need \$1
million, and I could get it. It's a very goddamn
complicated business. I'm sorry. This operation? I
don't know; I don't remember this thing.

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19
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21
But you never recall a plan involving DEA

agents bribing free the hostages for \$1 million apiece in '85?

A Not a plan. You know, everybody had a plan, but up until somebody said okay, here's my plan, now give

me the \$1 million, I sort of looked on everybody's plan as another plan. I don't remember that, to answer your

question.

what I'm trying to find out is was there a time in this DEA operation that the CIA decided it didn't want to be involved any further, and do you have any knowledge of that?

A It's possible. I do not have any knowledge. I certainly could check it with the people who may remember better than I.

- Q Who would make that kind of decision?
- A I would.

- Q But you don't remember it?
- 25 A I don't remember it. I mean, again please --

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I probably make as many decisions a day as anybody we
know. I know you know that. But someone, my NE guy or
my terrorism guy or my hostage guy, would come to me and
say I think the DEA or we believe the DEA case is running
string. It's a bunch of hocus-pocus. It's a phoney.
We're being ripped off. Let's stop. And I would say
let's stop.

But when DEA -- my position on the hostages was that I would bend over as far as the law and good sense would allow on what the hell their condition was, and seek information which, dear God, might lead to their release.

15

Q If someone were going to bribe the hostages

free for \$1 million apiece, is that something that would

require a Presidential Finding?

A You see, the strange thing about this whole affair is all through the entire time that the Iranian arms deal is going on the American policy still was not to pay for bribe for hostages. So that's tough. It's complicated. If the President decided that he was going to have official United States Government money spent to bribe for hostages -- I assume you're saying he's turning

,	_	

2	Q If there were a plan that involved the use of
3	government money, would it require a Finding?
4	A I don't know. I would have to ask Mike.
5	That's a legal question. I mean, I've given up trying to
6	figure out exactly when we need a Finding. I ask the
7	lawyers. Lawyers, do we need a Finding?
8	MR. PEARLINE: You would, I think, need a
9	Finding.
10	THE WITNESS: See what my lawyer said?
11	BY MR. BARBADORO: (Resuming)
12	Q To your knowledge was there ever a Finding for
13	this operation?
14	A God knows. Having now learned that there were
15	lots of Findings written about Iran that I didn't know
16	about, I can no longer say if a Finding were even written
17	that I would know about it. I did not know of such a
18	Finding.
19	Q I don't mean this to sound confrontational,
20	but around this time you were very concerned about
21	Buckley and the other hostages.
22	A Absolutely.
23	Q You spoke with Ollie North frequently?
24	A Yes.
25	Q One could only assume that if Ollie North had

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a plan like this that he would communicate to you. 1 2 He probably did. Do you recall him talking to you about a plan Q like this? Α He probably did and I do not recall it, because it is -- and again this sounds, and you are not confrontational. I sound crazy, but it is one of endless hairbrained schemes that took place at that time. Did some of these schemes come from Ollie North? 10 Well, Ollie North made 11 I mean, Ollie North was a 12 13 very shrewd operator. I mean, all other things aside, excesses and tunnel visions, Ollie North had a lot of 14 15 restivity on the support. Ollie North was very good at 16 17 18 19 The President 20 of the british States wanted the hostages out. 21 an unfair request. After looking at what has happened, 22 it may look embarrassing or silly or ridiculous and 23 everybody spent a hell of a lot of time. 24

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I repeat again if my son or brother or father

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were in there, I would want every son of a bitch in the American government to spend an awful lot of time trying to get him or her out. Now the law is nonexistent, basically, other than you can't spend Congressional monies and all the rest of it. I mean, the whole idea that you don't trade for hostages — in which I believe very strongly because it just leads to the mess we are in in Beirut — is that of the original five hostages we have 14 or whatever it is.

Because now everybody is going to sell them for something. The law side, as my dear wife said, you guys are all big and tough. Boy, you sit around those rooms of power and you decide people's lives. The President of the United States wanted those guys out of there, and Oliver North did his thing and we all did our best, and I think within what we did -- and it never ended; I could get records of all the stuff we did -- we didn't break the law, but we bent over backwards to try to do everything we could.

 $\label{eq:And I would do it again and I would do it today, as long as my lawyers tell me.$

Q If you thought a plan like this -- that is, bribing out hostages for \$1 million apiece -- would work, would you approve it?

A No. You see, Paul, the whole idea is -- I

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lived abroad 20 years. The problem is very simple, that
when they find out they can kidnap me and get \$1 million
for me, they would kidnap Tom and Mike and ask for \$2
million, and then when they get that they would kidnap
David and Page. I mean, the world never ends. No, the
right answer is you can't bribe for hostages. That's the
right answer.

Now there are a million -- you see, the whole thing in the Iran arms deal was, as I told Senator Eagleton when he was sort of mushing around the hall with me, there were some thoughts you really weren't bribing for the hostages. You really weren't giving the arms or the money directly to the Hizbollah; you were giving them to some other guys and it really wasn't a bribe. That's in addition to whether you should be giving arms to Iran.

The right answer is, don't pay cash or anything else for hostages. But, gee, whiz, is that hard to live up to when it's your emotional problem and not somebody else's.

Q And this was your emotional problem because it involved Buckley?

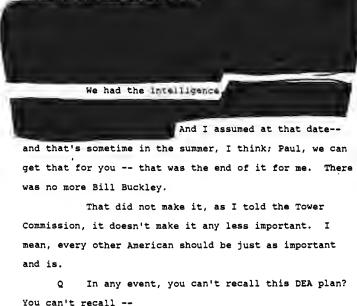
A Well, you see, I knew Buckley was dead. We ought to get the date. Get the date, gentlemen,

that Buckley was

dead. That wasn't if, and, maybe, sort of, kind of, we

have a report, he sounds sick.

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You can't recall --

I recall DEA had contacts in Beirut, but I can't -- you've kindly let me read the whole thing, but I don't remember it.

And you can't recall Ollie North telling you about it, about a specific plan that involved bribing the hostages free for \$1 million and putting up \$200,000 up front?

This is a sort of silly answer. Knowing Ollie

1	very well, he may have told me that, but Ollie told me a
2	lot of very strange things that he was doing for the
3	hostages, and I don't recall that. Ollie was getting
4	boats. Ollie was flying to Beirut. Ollie was getting
5	airplanes. And he meant well. He meant to get the
6	goddam hostages out.
7	Q How about a plan, a similar plan, involving
8	the same DEA agents and the same plan in the following
9	year, in May or June of '86?
10	A It may be the same one I remember. May I be
11	frank with you?
12	Q Please.
13	A God stars the DEA. They are a wonderful
14	organization.
15	
16	A A
17	A Company of the Comp
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20	
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MB. BARBADORO: Let's go off the record.

(A discussion was held off the record.)

MR. BARBADORO: Back on the record.

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-	BI FIR. BARBADORO. (Resulting)
2	Q Did you ever learn that Ross Perot was
3	providing money to Ollie North to help gain the release
4	of the hostages?
5	A I think I knew that, and I think maybe Ollie
6	at some point told me something to the effect Ollie
7	always claimed to be close to Ross Perot and Ross Perot,
8	I think, makes no bones about it, since he writes
9	articles about his involvement in this affair, but I sort
.0	of had at some point either heard Ollie tell me or
.1	someone told me. I assume that Ross Perot is one person,
.2	and I assume he would be today, that I could go to if a
.3	decision were to save someone's life and I needed money
L 4	and I could prove my plan, that he would help me.
L5	Q At any time did you ever do anything to try to
L6	prevent these plans that involve paying bribes to gain
L7	the release of the hostages from taking place?
L8	A I don't remember a single operation that
L9	involved bribery or purported bribery that I thought was
20	worth anything, that anything would ever come out of it.
21	I never felt, though, that that level of hand me cash and
22	I will hand you hostages would ever work.
23	Q You just didn't take these plans seriously?
24	A I'm sorry, I really didn't. The guys, again,
25	holding American hostages are in a big-time international UNCLASSIFIED

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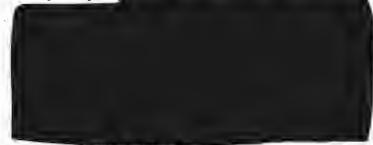
1	operation.
2	Q When did you first learn that United States
3	arms were being sold to Iran in the hopes that hostages
4	would be released?
5	A Are you talking about United States arms under
6	the control of Israel or United States arms under the
7	control of the United States?
8	Q Yes, it's arms under the control of Israel.
9	A Probably in the fall. Let me walk quickly
10	through my experience of the full. Somewhere in late
11	and this was not part of the SSCI testimony because I
12	just didn't recall it; we have all had a lot of time to
13	think and I read my testimony the other day and I know
14	what I was thinking about Bill Ossey called ma linto
15	his office and this is a matter of record with the
16	Tower Commission and with some others well, he didn't
17	call me in his office. I was in his office together
18	with, I think, John McTanon you can ask John, or I
19	should ask John when I see him.
20	Somebody else was there. John McMahon said to
21	me you won't believe what Bud McFarlane just told me in
22	the White House, and obviously that captures the interest
23	of the employee. And we said, what, what. And he said
24	the Israelis have an operation that involves the

Iranians, which could possibly lead to the release of the UNCLASSIFIED

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hostages. But, the government of Israel has told Bud that the absolute demand for us to be knowledgeable or involved in whatever it is is that CIA must never know about it.

And Casey said to me, now, you know, who knows? Maybe he knew all about it and he was just playing games -- I don't believe that. Casey said to me in the late summer or sail [1 Mander that the hell they are up to.



Sometime that fall I became aware that arms had been sent to Iran by Israel and I thought, when I testified before the SSCI last November or December, that we had provided communications equipment to Bud McFarlane, who went to Israel, and I was very vague page I didn't know. What I think I now know is

22 I think I now know 1

famous sitplane that went in and

came and "crash-landed" -- I still don't know what

•	mappened and indicated once once and defind ince
2	Tehran.
3	And I somehow knew or associated that with the
4	release of Benjamin Weir, and how much I knew the
5	details, not much, because the whole thing becomes
6	graphic to me the famous last weekend in November.
7	Q You said several things I want to ask you
8	about.
9	A Please.
10	Q The meeting with Casey, give me the best
11	estimate of the date that you can on that.
12	A I wish I could. I would suspect September.
13	I've really racked my brain. I will ask John, if John
14	was there God knows we were not in the room alone with
15	him, and there was a twinkle in his eye. I had the
16	feeling that Casey really didn't know what the hell was
17	going on.
18	Q And as best you can remember what did he tell
19	you the operation was?
20	A I'll quote it again as best I remember it. He
21	said, Bud tells me that the Israelis have and this is
22	all paraphrasing it, of course but it went like, Bud
23	tells me the Israelis have a contact with the Iranians
24	which could possibly lead to the release of the hostages.
25	Q And at that time he didn't say anything to you UNCLASSIFIED

UNCLASSIFIED 1 about arms being involved? Casey said to me, frankly -- and again, you know, this is a complicated world; who knows when your 3 leg is being pulled -- Casey said to me I don't know what the hell he's talking about. And he then emphasized, as I say, again that the Israeli demand to allow us to be part of it, which is now the way I read it a year and a half later -- whatever it is; two years later -- was that you won't tell the CIA; they must not know about it. 10 Have you ever found out why the CIA was not 11 supposed to know about this operation? No, but let's you and I guess. 12 13 I'd like your guess. It's probably better 14 than mine. 15 Because they were certain that we would have 16 to tell Congress. They had, for a variety of 17 geostrategic reasons -- and they still have and always

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get involved.

Everybody is talking about a dialogue. Everybody's talking about hostages. We have the weapons.

will have, as Tom knows, as Mike knows -- the Israeli necessity to seek accommodation with Iran. It is part of

the geopolitical realities of the Middle East. And they had made contacts. We now know, we guess, they made them

through Mr. Ghorbanifar, and they wanted the Americans to

1	Well, you read what I said to the SSCI. It's the same
2	thing.
3	Q On or about the 9th of September worth eated
4	Charle Allen
5	
6	
7	
8	
9	A Could be. Charlie Allen did that? I never
10	knew Charlie Allen did This Charlie Allen
11	totally
12	unknown to me through the fall.
13	At some point, and I thought it was in '86,
14	Charlie Allen, whom I rarely see, came to my office and
15	said, I have been asked to bake symileble to you
16	God
17	knows what. And he sat with me for about ten minutes and
18	talked about them and left. It's not unfair to Charlie,
19	but we formally never discussed them again. I see
20	Charlie in the halls all the time.
21	That may have been what I read in the fall of
22	185.
23	Q In your Tower Board interview you said that
24	you did get and that's consistent with
25	what you're saying now. You also said that you talked to

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-	Charite Affen Several Cimes about it. Is your
2	recollection the same as that?
3	A My full recollection of it all was that I paid
4	very little attention to it eventually. I couldn't
5	understand it. Into the picture came guys I trusted and
6	knew. After January comes staff employees of my
7	Directorate, who work for me
8	well, he doesn't really work for me, but he's a guy in
9	whom I have trust and I figure
10	then I pay less and less attention to it.
11	Charlie did not perceive me as a regular guy
12	to brief on the issue.
13	Q But you did pet
14	A Oh, I probably got
15	
16	
17	
18	conclusion that arms
19	Did you draw that conclusion,
20	those conclusions, in the fall of '85?
21	A In the fall of '85? I must have, but they
22	were not American arms. It was not an American
23	operation; it was Israeli. The Israelis were up to
24	something that we were sitting around watching, which was
25	going to lead to hostage release, so it wasn't us.

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1 And you had no idea that it was North who had 2 given that tasking to Charlie Allen? 3 No, I was never told about that no, I didn't know 4 North tasked all an 5 6 7 8 9 10 I must have known that arms were being 11 Okav. 12 traded by the Israelis for hostages. I certainly must have known from William Casey's comments that some part 13 of the American government was involved in it. I can 14 remember talking to Ollie North about the release of Weir 15 and the great pleasure that everybody had that this had 16 taken place and that there was a role the American 17 18 government had played in it. But I did not have the 19 picture I then got later. What did North tell you? 20 North said, gee, I wish they would release 21 22 But didn't North tell you something about his 23 role in this thing? I mean, Ollie North, if there is one 24

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thing Ollie North is, he is the kind of person that would

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talk about these effo	-+-

	A	Well,	I thir	k he	didn't	want t	the Dir	ectora	te
of Op	erati	ons in	this m	ess.	I did	n't rea	d all	of the	
thing	, PRO	F note	s, but	I'm t	old if	you re	ad the	m, we'	re a
bunch	of j	erks.	I mean	ı, we	can't	get the	damn	thing	done
right	. An	d so,	therefo	re, y	ou sort	t of or	erate	with	
Charl	ie or	you o	perate	with	someboo	dy else	. I'¤	not s	ure
that	I did	ever	know th	at.	I don'	t ever	want t	o clai	m I
didn'	t kno	w that							

- Q After Weir's release did North tell you that he had been released because the Israelis shipped arms to Iran?
 - A Not in those specific words that I can recall.
- Q What do you recall?
- A I don't recall. I do not recall knowing that
 Weir's release was involved with the airplane flight. I
 knew about the airplane flight because there was all
 kinds of recording about the airplane flight.

22 And I knew then that was released and I probably
23 associated -- my recollection, Paul, is that starting
24 then -- and I don't want to change the subject and come

back to it -- compared with the realities of what I then

1	knew following the last week in Movember, into the
2	Finding, I was still slightly foggy in the fall of '85.
3	Q Is it fair to say you knew something was going
4	on involving Israel and the hostages?
5	A Absolutely.
6	Q And that it involved some kind of arms
7	A And the Americans knew about it.
8	Q And the Americans knew about it.
9	A Damn right.
10	Q But you didn't know that TOWs were being sold
11	to Iran; is that right?
12	A Absolutely correct.
13	Q You have testified that you were gone on
14	November 22. The weekend of November 22 you were that of
15	headquarters. Where were you?
16	A
17	Q And when did you leave the headquarters to go
18	to
19	A I think I left Thursday morning. I mean, you
20	guys gee, they even found my travel vouchers that we
21	just shipped to you guys. I can't even find my own
22	travel vouchers. There
23	The fact that
24	nothing to do with it, Paul.
2 5	(Laughter.)

Were you out of touch with your office from

	The state of the s
2	the 23rd to the 25th?
3	A Yes.
4	Q In your absence Juchniewicz was in charge?
5	A Ed Juchniewicz was Acting. Well, I think he
6	was in charge of the office.
7	Q Before you left, did you know anything about
В	Clarridge being asked to line up a proprietary, a CIA
9	proprietary, for this flight
0	A No.
1	Q When did you first hear about it?
2	A I came back Monday morning, Monday afternoon,
3	went in. McMahon was in a rage. He told me to pull
4	together the traffic, meaning the telegrams, that took
5	place, went back and forth. I got them in, put them in a
5	little folder and took them to John and read them when I
7	took them, and that was when I first knew about it.
В	Later John came in, again quite upset and
9	terribly concerned, talking to Juchniewicz, and his
0	remark, which is burned in my mind, was not only did we
1	send the goddam telegrams, but the goddam airplane went
2	in. Now obviously we know that that was the famous
3	proprietary flight.
4	Q Have you seen McMahon's memorandum for the

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record of December 5?

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1	A No.	
2	Q Excuse me memorandum for the record of	
3	December 7, 1985. Let me mark that as George Exhibit 4	•
4	(The document referred to was	
5	marked George Exhibit Number	4
6	for identification.)	
7	(Pause.)	
8	A . I'm sorry. This is so fuzzy. I have not se	er
9	this memorandum before.	
0	Q The memorandum refers to a meeting where	
1	Juchniewics is briefing you about what happened while y	ου
2	were gone and McMahon was present. Do you recall a	
3	meeting like that?	
4	A Well, I would think that was the same time	
5	when McMahon and Juchniewicz arrived in Juchniewicz's	
6	office and McMahon was furious and Juchniewicz was	
7	telling me about all these cables that had gone out.	
8	Q Do you recall the time of day that was? Was	
9	it in the morning?	
0	A It would be in the morning of the day that I	
1	got back, and I assume it would be Monday morning.	
2	Again, my travel vouchers will say whenever I got back.	
3	Have you seen that before?	
4	MR. PEARLINE: Yes.	
5	By Mr. BARBADORO: (Resuming)	

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-	a the memoralidam carks about a meeting on the
2	25th where was giving you a "spot report" on a
3	flight the airlines had made in support of the
4	NSC mission. Do you recall a meeting where
5	giving you a briefing on the flight?
6	A I don't know. I mean, we could easily have
7	called He was in charge st
8	and controlled the promptation I'm sure we
9	did call him up and ask him, but I don't remember, Paul.
10	Q Prior to the 25th did you know anything about
11	an NSC mission?
12	A No, I did not.
13	Q What were you told was shipped on the aircraft
14	on the 25th?
15	A I don't know what I was told was shipped on
16	the aircraft on the 25th. I am now told I was told that
17	it was oil-drilling equipment.
18	Q You can't remember what you were told?
19	A But, what the hell I thought on the morning of
20	Monday that so-and-so was on the airplane, I have no
21	idea. It soon became whether the knowledge or the
22	surmise of the Agency that it was weapons, but that
23	within the next month or so. But that morning I don't
24	know what I thought was going on. I assume I thought
25	whatever Ed Juchniewicz thought, because Juchniewicz, who

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the aircraft?

UNCEASSIFIED 80 was acting for me, would have told me whatever he thought was on that airplane. You don't have any memory of being told that it was oil-drilling equipment on the airplane on the Air No, I do not. What did McMahon do when he heard that had been involved in a flight to Iran? He said there will be no more activity in support of any of this without a Finding. And did he ask you to collect the cables? Yes. Did you collect the cables? Yes. Did you speak to Dewey Clarridge about it? Yes. From reading the cables and from speaking to Dewey Clarridge did you draw any conclusion about what was involved on the flight?

- oil-drilling equipment or whether it was arms that was on
- 24 No, I cannot recall that I did. Have you talked to Dewey Clarridge about this

That it was arms for hostages?

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Did you draw a conclusion as to whether it was

thing since November of '85?

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2	A Not in a formal sense, in an informal sense.
3	Everybody knows that there is disagreements about what
4	happened.
5	Q Are you aware that it is Dewey Clarridge's
6	position that he thought it was oil-drilling equipment or
7	that flight?
8	A I assumed he would have. I can't believe that
9	he would have been told by Ollie North we are shipping
10	weapons and then not have told us that. If Ollie North
11	called him and said we're shipping oil-drilling
12	equipment, I'm sure Dewey thought it was oil-drilling
13	equipment. DGS/RMTUGAL
14	Q Your has given a
15	deposition in which he has stated under oath that he was
16	briefed on November 23 by a guy who called himself Copp
17	that there were missiles on the flight and he has stated
18	that he sent a cable stating that there were missiles on
19	. the flight to headquarters.
20	Have you ever seen a cable from on
21	November 23 that referred to missiles being on the
22	flight?
23	A I am aware of this dispute, and I am aware of
24	having talked to who is a
25	dear friend and in whom I have great trust, about his

-	conversation with Secord in which Secord said to him in
2	the parking lot of the hotel where Secord was staying, do
3	you know what we are doing. And said, please tell
4	me; I've been up two nights and I'd like to know.
5	He said, we're trading missiles for hostages.
6	says he put that in a cable. Dewey said I
7	don't know what Dewey said. Dewey said he never saw it.
8	I think Dewey's right. A cable of that and that is in
9	no way meant to impugn poor testimony. I
10	think he sort of forgotten what he cabled that weekend or
11	what he didn't. A cable of that impact could never have
12	just disappeared in the Central Intelligence Agency.
13	Q Is it fair to say that if you had read a cable
14	like that on the 25th you would remember it?
15	A Boy, would I remember it.
16	Q And you do not remember any cable from
17	A I have seen no cable like that.
18	Q Discussing the fact that there were arms on
19	the airplane?
20	A It was even more brutal.
21	MR. POLGAR: Off the record, please.
22	(A discussion was held off the record.)
23	MR. BARBADORO: Let's go back on the record.
24	BY MR. BARBADORO: (Resuming)
25	Q I may have asked this, but let's just be clear
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2	November 1985 which discussed the fact that on that
3	flight there were supposed to be arms going to Iran?
4	A I did not.
5	Q And to your knowledge no such cable exists;
6 -	that right?
7	A To my knowledge, no such cable exists.
8	Q If a cable had been sent eyes only to Dewey
9	Clarridge it would also be sent to you, wouldn't it?
10	A The privacy channel that he would be allowed
11	to use would be only seen, other than by him and his
12	secretary, by me and Ed Juchniewicz and our secretaries.
13	Q Do you know whether your records have been
14	reviewed to determine whether there is such a cable?
15	A We would not keep chronological copies of his
16	privacy channels. We keep chronological copies of our
17	privacy channels. But we're not an office of record, se
18	the dozens and hundreds of privacy messages over a month
19	. that are being sent by bosses, mostly about personnel
20	problems, which are sensitive, are not held by us.
21	Q Do you know whether the DO records have been
22	checked for this cable?
23	A I do not, but I can't believe they wouldn't
24	be.
25	MR. PEARLINE: They have been checked, yes.

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1	BY MR. BARBADORO: (Resuming)
2	Q Let us mark a cable dated 25 November 85,
3	reference as George Exhibit 5.
4	(The document referred to was
5	marked George Exhibit Number 5
6	for identification.)
7	Mr. George, take a look at Exhibit 5, please.
8	(Pause.)
9	A I saw this cable.
10	Q That cable mentions the fact that the pilot of
11	the plane told the ground control
12	equipment was involved in the flight. Do you recall
13	reading that in November of 1985?
14	A I recall seeing this cable, and I assume I
15	either saw it in November I must have seen it in
16	November. I also recall talking to
17	who came to see me early in the following
18	year and told me of the same incident.
19	Q From that cable,
20	from your discussions with Charlie Allen,
21	from what Casey told you about an operation, from
22	everything else you knew in November of '85, did you
23	reach a conclusion as to what was really involved in that
24	flight on the 25th of November, when you received this
25	cable?

1	A Well, I did not assume absolutely that it was
2	weapons. I mean, I must say, reading this cable
3	hurriedly in a day, that there is in my mind the
4	skeptical. So the pilot said military equipment, so he
5	didn't have to check something or something. I yes, I
6	probably believed personally they were weapons, but I did
7	not know they were weapons.
8	Q Did McMahon in his meeting with you on the
9	25th say anything about whether a Finding would be
10	required for this kind of activity?
11	A He said to me and to Juchniewicz, I believe
12	together you can ask Ed there will be no more. You
13	see, I am perceiving, and certainly by reading McMahon's
14	memo, which I do not recall, that John knew more about
15	this than I did, which he should. That's reasonable
16	because he's the Deputy Director, Acting Director at
L7	times. John said there would be no more support of any
18	of this without a Finding.
19	And that I recall clearly. He knew, I think,
20	more about what this was than I did.
21	Q Do you know whether he asked somebody in OGC
22	to draft a Finding?
23	A I don't know that. I mean, I know now, Paul,
24	after the fact that he did, but at the time I did not.
25	Q He didn't tell you anything about a Finding

being drafted?

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Nope, not that I can recall. 2 Α Did you know at the time, in November of '85, that a Finding was drafted on November 26 and sent over to the White House? No, I did not that I can recall. Did you know that efforts were made between November 26 and December 5 to determine whether the White 9 House had approved the Finding? 10 I was not part of that that I can recall. Were you at all concerned that people working 11 12 for you had engaged in activity that required a 13 Presidential Finding without Presidential approval? Well, I was concerned, but I delivered the 14 15 file and the evidence to John McMahon, who was obviously personally involved in it, and then came another day and 16 another issue and another problem. But I presume, 17 because -- and I'm not being unfair to John, a dear 18 friend -- I just presumed John was terribly concerned and 19 20 John was going to take care of it, because he was very, 21 very worried. I think John was going to send -- and I don't 22 know if I knew this then; I know this now -- but I think 23 24 John was in telegraphic correspondence with Casey, who was traveling abroad, about this problem. But John sort 25

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of assumed the problem. Now I'm not chickening out, but John would have taken care of it because he was worried. Q By November 25 did you know that Ollie North was connected with, after reading the cable traffic and discussing with Clarridge - A Dewey told me it was Ollie North that told him, that it was Ollie North that wanted the airplane, that it was Ollie North that was frantic. Q Did you call North and ask him what he was doing in this operation? A No, I did not that I recall. Q You spoke with him frequently on a whole host of matters, didn't you? A Uh-huh.

this at all until John is satisfied that we can do it and, to the best of my knowledge, even though I've been informed that in December there were still cables roaming around about making plans if we wanted to land planes.

I was assured by all the players that there would be no activity taking place without a clearance from

discussing it. I recall saying there will be no more of

Do you recall whether you discussed this

I do not recall that, Paul. I do not recall

particular matter with him in November of '85?

John, who understood the issue better than I, which meant UNCLASSIFIED

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2	And to the best of my knowledge, then, of
3	course, we keep moving up to the famous Finding. Nothing
4	did happen, although whether Ollie had made plans and
5	Dewey sent cables, which I've been told after the fact,
6	and I maybe even saw them, but, you know, I said no more
7	of this and, to the best of my knowledge, there was no
8	more of that.
9	Q When was the first Finding that you were aware
LO	of?
l1	A The only Finding, I swear to God, I have ever
L 2	seen, and Senator Cohen did one on me when he pulled five
L3	of them out of his desk in front of the SSCI, was the
L 4	Finding handed to me by John Poindexter in the White
L5	House situation room on the 18th of January 1986.
L6	MR. O'NEILL: Could we go back a minute?
L 7	THE WITNESS: Please.
L8	MR. O'NEILL: About the meeting you had with
L9	McMahon on the 20th of November
20	THE WITNESS: On Monday.
21	MR. O'NEILL: The 25th of November.
22	THE WITNESS: Whatever date: I don't remember.
23	MR. O'NEILL: You said that you assume he was
24	going to resolve this, but that you then recall saying
25	that nothing more will take place.

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_	THE WITNESS: John Says I want nothing more of
2	this kind to take place, and I went down to whomever
3	probably whom we can ask, and to Dewey
4	Clarridge and said we're not going to do any more of
5	this without checking it out through the front office.
6	MR. O'NEILL: Do you believe that what you
7	told them would have been clear enough to them such that
8	they would have understood that sending out additional
9	cables to arrange additional flights would have been
10	prohibited or not?
11	THE WITNESS: No. I think it's the thing.
12	You see, planning is one thing; doing is something else.
13	And if you ever were on any given day to know all the
14	plans that were being made inside the American government
15	on all the subjects, you would be so terrified you would
16	leave. You can't stop people planning. You've got to
17	stop them from acting. And I think I stopped them. I'm
18	sorry, I think I stopped them from acting.
19	You know, plan, plan, plan, plan, plan, plan,
20	I temember once
21	
22	A CONTRACTOR OF THE PARTY OF TH
23	But the good news is the plans don't

count; it's the action that counts.

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BY MR. BARBADORO: (Resuming)

1	Q You are aware in this case that there were
2	cables sent
3	A I'm told about all kinds of cables. You know,
4	what would you do, why would it happen. If I asked you
5	to land an airplane, what would it do. And the answer
6	was I don't care how much you talk to the SOBs
7	Q As long as they weren't doing it?
8	A Don't do anything.
9	MR. O'NEILL: So you don't view those cables
10	as being in contravention to your orders?
11	THE WITNESS: No, because who knows? We may
12	get an agreement that Ollie North is going to fly another
13	airplane and the National Security Council wants to land
14	the damn thing, and we continued the for 48
15	solid hours trying to line
16	again. Let's have something organized this time.
17	You know, we now in 1987, by the grace of God,
18	are here, but this was the White House, and the White
19	House was calling the CIA and they were asking for help.
20	BY MR. BARBADORO: (Resuming)
21	Q Did you know in November of '85 that Second
22	was involved in this thing? He is referred to as Copp in
23	the cables.
24	A Yeah, and I now know so much, having talked to
25	that I'm not sure when I first knew that he was

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1	the guy on the ground. Bud was in Brussele, Copp was
2	They were calling each other on the phone. When
3	I first learned that, Paul, I don't think I knew it in
4	November of '85.
5	Q Okay. Did you know that the CIA secure voice
6	communications system was used to pass messages from NSC
7	people to CIA people
8	A I think I did. I think I knew that, and I
9	think I asked for the transcripts, the tapes of those,
.0	and I think I gave some of them to the National
.1	ordered some of them given to the National Security
.2	Council and others I believe are either still in our
.3	possession or in your possession.
.4	MR. BARBADORO: David, if it hasn't been
.5	requested already, we would like all of the transcripts
.6	of the secure voice communications system.
.7	MR. PEARLINE: The that was used?
.8	MR. BARBADORO: Yes,
.9	THE WITNESS: And I gave some of those, David,
20	to Talk to I talked to giving
21	one bunch, which was McFarlane talking to somebody, back
22	to McFarlane.
23	MR. MOFFETT: Would it now be possible do
24	you need a break now? It's been an hour.
25	THE WITNESS: Let's have a break.

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1	MR. BARBADORO: Okay.
2	(A brief recess was taken.)
3	MR. BARBADORO: On the record.
4	BY MR. BARBADORO: (Resuming)
5	Q I'd like to mark as the next exhibit, 6, a
6	document which for our records is C-5281.
7	(The document referred to was
8	marked George Exhibit Number 6
9	for identification.)
10	Mr. George, I am told that this is a copy of a
11	document that came from your soft file.
12	(Pause.)
13	A No, this is from Stan Sporkin's file. That's
14	Sporkin getting a job for
15	then Sporkin on the computer working on a Finding, and
16	that was shown to me when they did all of Stan's reviews
17	because I had never seen that Finding at all.
18	That first thing, Dear
19	this was 5two
20	getting the kid a summer job. Then the next thing they
21	ran, and this is Stan's PROF notes, the next thing they
22	ran was a Finding. Wrong witness, Paul.
23	Q It came from your soft file, according to Paul
24	Schilling.
25	A Well, Paul Shilling,
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2	not.
3	Q Could you have kept a copy of it and taken it
4	and put it in the files?
5	A I wouldn't in a million years have kept a copy
6	of all the documents. I wouldn't keep a copy of it. How
7	Sporkin managed to that was all written in the era
8	when Stan what I now know I know after the fact, I
9	think that was all written in the era that Stan was
.0	writing the many versions of the Finding the mini-
1	Finding, the retroactive Finding, yesterday's Finding,
2	tomorrow's Finding.
.3	I recognize it. I smiled because
.4	is a friend of mine and he is a doctor and that's his
.5	son, and Stan was getting the kid a job.
.6	Q And when was the first time that you saw that
.7	document?
.8	A I don't know since all of this began.
.9	Q Somebody showed it to you?
0	λ Yes.
1	Q Who?
2	A Somebody at OGC, I think, showed it to me and
:3	asked me if I had ever seen the Finding. But, you know,
4	I promise you that it's not. If it's in my soft file, it
5	was placed there by gremlins.

-	Tet me per to one more cime to pee witch
2	Finding that is.
3	Q That is the mini-Finding, what's been called
4	the mini-Finding.
5	A I never saw this. This is the famous mini-
6	Finding.
7	MR. O'NEILL: Isn't that unusual? Wouldn't
8	something like that have come through your office?
9	THE WITNESS: It was the only time, Michael,
10	and I made this point both to the SSCI and the Tower
11	Commission, I believe, that the DDO himself and his
12	officers who were to engage in the what am I saying
13	in the carrying out of covert action were not involved in
14	the writing.
15	MR. O'NEILL: And you learned about it after
16	the fact?
17	THE WITNESS: The only Finding I ever saw was
18	the famed 17 January Finding when I was taken to the
19	White House and it was only after that, sometime later,
20	that I was informed that a variety in fact, I never
21	knew there were so many until Senator Cohen of Maine
22	waved in front of my face five of them.
23	BY MR. BARBADORO: (Resuming)
24	Q Let me just rule a couple of things out here.
25	You know but you never wrote a draft of a
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1	letter on behalf of
2	A That's correct.
3	Q And the first time you saw this letter and the
4	mini-Finding that goes with it was when?
5	A Sometime after this confusion began and
6	somebody brought it to me and showed it to me. It was
7	not sometime
8	Q Sometime after November '86?
9	A After November.
10	Q And you never saw what's been referred to as
11	the mini-Finding, the Finding written on November 26 and
12	supposedly sent to the White House?
13	A No, I did not.
14	Q And no one ever told you in November that a
15	Finding was being sent over to the President for
16	signature?
17	A No, they did not, to my recollection.
18	MR. O'NEILL: After the fact what explanation
19	was given to you as to why this Finding was not routed
20	through out?
21	THE WITNESS: I suspect that they didn't think
22	I was the biggest fan in history of all of this stuff.
23	MR. POLCAR: Yes, I think we can state that
24	is a medical doctor and all of us know win
25	because he does the annual physicals on all the

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1 supergrades. 2 BY MR. BARBADORO: (Resuming) 3 Q Okay. If he only knew. Andy Warhol said a moment of dame will come to you all. (Laughter.) 7 Let us mark this as Exhibit 7. It is the January 17 Finding signed by President Reagan. (The document referred to was marked George Exhibit Number .7 10 for identification.) 11 12 Take a look at Exhibit 7, the January 17 Finding. Is that the only Finding you were aware of as 13 of January 18, 1986, the only Finding on Iran that you 14 were aware of? 15 16 Α And you had not seen any earlier drafts of 17 that Finding? 18 Δ No. 19 Do you recall a meeting on or about December 20 20, 1985, with Clarridge to 21 discuss Ghorbanifar? 22 I remember a lot about Ghorbanifar in December 23 of 1985, Paul. I'm not sure I remember that meeting 24 specifically. 25

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1	Q When do you first remember hearing
2	Ghorbanifar's name being mentioned in December of '85?
3	A Well, at that time we were being urged to
4	establish an operational relationship with Mr.
5	Ghorbanifar to try to get it quite correctly, to be
6	fair to everybody by the Director, who had been
7	informed by people in whom we had some trust, above all
8	the Israelis, who said Ghorbanifar was the greatest thing
9	since bagels, Michael Ledeen, who visited the Director
10	and told him he was a great guy, and the White House, .
11	which, as we now know, was obviously quite interested in
L2	the Israeli idea.
L3	And I think if I tried to reconstruct it they
L 4	wanted us to handle Ghorbanifar. Now we pulled out
L 5	will walk through it again for the record we pulled
L 6	out the file.
.7	Q Who is "they"?
.8	A The White House, the National Security
.9	Council, would like us, I think is my interpretation, to
20	become involved with Mr. Ghorbanifar.
21	Q Who was giving you that information?
22	A Michael Ledeen, whom I know casually and not
23	well, who was at the time he informed me, and, more
24	importantly, others that worked for me an advisor to
25	the National Security Council, said that it was his

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1	belief that Ghorbanifar was probably the most capable
2	contact that was available, and the Israelis agreed with
3	him, to open a dialogue with Iran, and the urging came
4	from Michael and from the National Security Council.
5	Q This is in December of '85?
10 letter,	A It's in that general meriod. I could find
- ciles	those dates because tent out and met
8	Ghorbanifar at Ledeen's house. You know, I don't have it
9	all in my head.
10	Q In your mind in December was Ghorbanifar being
11	connected with the Israeli initiative regarding Iran?
12	A It wasn't in my head at that time. You see,
13	that's why I feel very confused.
14	in the fall in which we now think Asghari correct me
15	if I'm wrong is Ghorbanifar, and then in December my
16	memory is we are being urged to deal with Ghorbanifar.
17	Q By Israel and by Ledeen, correct?
18	A Well, by Bill Casey and the White House wanted
19	us to deal with Mr. Ghorbanifar.
20	Q And when you say "deal with Ghorbanifar", what
21	did they want to do with Ghorbanifar?
22	A Well, I guess they truly believed that
23	Ghorbanifar was the individual who was going to do two

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things, both of which are not ignoble -- one, release the

hostages; two, open a dialogue with Iran.

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Now we, of course, thought Ghorbanifar was a

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2	cheat and a crook and totally dishonest.
3	Q You are getting a little bit ahead of me.
4	A Please. I'm sorry.
5	Q How did you understand that Ghorbanifar was
6	going to be used to get the hostages back and to open up
7	a relationship with Iran?
8	A I think by that time Ghorbanifar was portrayed
9	to us as someone who had superb relations at the top
.0	levels of what could be described as reasonable elements
.1	in Tehran. The foreign policy goals were the following.
.2	And that those elements, as a secondary part of it,
.3	probably were influential with the Hizballah, whom we all
.4	knew were holding hostages, as a secondary point.
.5	What I can't figure out by memory and
.6	and might answer it more wisely than I is what was
.7	the great anxiety to drag us into it. But there was real
.8	interest in CIA's Operations Directorate dealing with Mr.
.9	Ghorbanifar. Now we know historically they were already
0	dealing with Mr. Ghorbanifar. Why did they need us? I
1	don't know.
2	Q Did you know in December that Ghorbanifar was
3	connected with the earlier initiative from Israel?
4	A I cannot recall that I did, Paul.
5	Q Did you know that Ghorbanifar was being

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contemplated as an intermediary for future shipments of

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2	arms, U.S. arms, to Iran?
3	A I can't recall that I knew that specifically,
4	but then, on the other hand, to be perfectly fair, I knew
5	that there was very high level interest that somebody
6	deal with Mr. Ghorbanifar. I must have said, why all this
7	interest.
8	Q Did you get your instruction about having
9	somebody meet with Ghorbanifar from Casey?
10	A Maybe. It's no answer, I realize. It may be
11	after a visit from Ledeen that Casey talked to me about
12	having a good look. Casey never said you will do this.
13	Casey said, Clair, I want you to have a good look at
14	Ghorbanifar at some point in that period, and that led to
15	finally the polygraph, the meetings, the discussions.
16	Q When the name was mentioned to you in December
17	by whoever, either Ledeen or Casey, did you know who
18	Ghorbanifar was?
19	A Me, Clair George?
20	Q Yes.
21	A No, unless somebody had told me about him the
22	month before in relationship to the Israeli connection
23	with the arms flight. But Ghorbanifar, at least up until
24	that general time frame, the late fall/early winter of
25	'85, was nobody I had ever heard of.



2	with Ghorbanifar on Depember 23. and December 23. Did you
3	have a meeting with before he went to talk to
4	Ghorbanifar?
5	A I'm sure I did, yes. I'm sure I did.
6	Q And what did you tell him to do?
7	A Well, you know because you must have talked to
8	him. I hope I said give it a fair shot. Go meet with
9	him, get a reading of him, give him a polygraph, see what
10	he's got to say for himself, see what he can do for us.
11	We're out in another business now at this point.
12	Obviously if we could
13	open a dialogue with the Iranians I'm sure we could get
14	ourselves a Presidential Finding or however we need to go
15	about it.
16	
17	I would hope, I said to and will remember
18	it, I know I said give it a shot. See what he's
19	worth. Let's find out if he g got anything going for him
20	and give it the college try
21	polygraphed him.
22	Q What did tell you about Ghorbanifar
23	after he met him before the polygraph?
24	A He said he's a crook.
25	Q Did he tell you about his 201 file?
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1	A Yes. They lined up outside my office.
2	Everybody told us, fighting to get in to tell me what a
3	crook he was.
4	Q It's fair to say that people at CIA, including
5	and other people that were familiar with
6	Ghorbanifar, didn't think he was a reliable source?
7	A On the other hand, there are two points to be
8	made. Just because you were of no value X years ago doe:
9	not mean you cannot be of value to the intelligence
10	service. That's very important. And I think the other
11	thing and this is incidental to the questioning but i
12	should be thought about by all of us here, which was
13	brought out very thoughtfully by somebody on the Tower
14	Commission give old Ghorbanifar credit. He got Bud
15	McFarlane to Tehran and he got a couple of hostages out.
16	It turns out to be a hell of a price, but
17	Ghorbanifar maybe wasn't quite as incompetent as the
18	United States spy service thought.
19	Q Is it fair to say, though, that after
20	meeting with him that he, did not have good
21	things to say about Ghorbanifar?
22	A absolutely thought the guy was, as I
23	recall at the time and poor was, you know,
24	after a lifetime serving
25	the big favor of giving him the (100)
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-	"" " " " " " " " " " " " " " " " " " "
2	reliable. It's back to our point about
3	Reliability, strength, skill in tough jobs sometimes is
4	almost more important than area knowledge ideally
5	both. But said to me, or I heard he said to
6	somebody, you know, I have met a lot of crooks, and I
7	don't know many Iranians, but this guy's crazy.
8	Q Did tell you that Ghorbanifar had told
9	him that he had been involved in the earlier arms
10	transactions from Israel to Iran?
11	A I don't remember that. But if he told
12	I'm sure told me because I'm sure would tell
13	me whatever he was told.
14	Q What happened next?
15	A I went to Bill Casey and said Bill, the guy is
16	really no good. In the meantime, Ghorbanifar at some
17	point and again my time frame is all screwed up
18	Ghorbanifar produced the wost amating set of photograpes
19	I have ever ween.
20	
21	
22	
23	
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And Ghorbanifar produced these color

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3	How would he ever have this? All make, then that
4	happened (indicating). Over on this side (indicating),
5	Ghorbanifar shows nothing but deception on his polygraph,
6	has a record longer than my arm of being unreliable, and
7	my best operators tell me that he's a crook.
8	So at some point somehow I went to Bill Casey
9	and said, Bill, old pal, this isn't really worth it. And
10	Bill said, I am told, I think, something to the effect,
11	well, let us at least follow up on the terrorism side.
12	We'll have Charlie Allen talk to him.
13	Q That's what Casey told you?
14	A (Nods in the affirmative.)
15	Q You have to answer on the record.
16	A Yes.
17	Q What did you do then, after that meeting with
18	Casey?
19	A Well, you know, Paul, I mean, what did I do,
20	day by day, I don't know, but I watched Charlie Allen go
21	through, and I must take credit for having really screwed
22	it up at this point. I did. I let Charlie Allen sort of
23	go off and meet with Ghorbanifar, and I should have
24	stormed into Casey's office and said, Bill, take it. I
25	know a lot of people in town think I may be a wimp or I'm

1	not adventurous, but you can't do this.
2	But Charlie Allen went off to Europe, to
3	London, and whereall Charlie knows and I don't, and
4	I'm sure he has a record of it and met with
5	Ghorbanifar.
6	Q This is after the polygraph?
7	A Yeah, and again these times are a matter of
8	record. I don't have the record in front of me.
9	Q Well, at some point a decision was made to
.0	have Ghorbanifar polygraphed?
.1	A Yeah.
.2	Q Who made the decision?
.3	A Me, I think.
.4	Q And we all know he failed the polygraph.
.5	A He showed deception on every question but one,
.6	which I think was his name.
.7	Q Did you tell Casey about the polygraph
.8	results?
.9	A Yes, yes.
20	Q What did Casey say when you told him about the
1	polygraph results?
22	A All I can remember and my mind has been
23	jogged by others because I don't remember it is that
24	Casey, fascinated by the famous photographs, which I can
:5	still see in front of me,
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_	said let's let charite Allen talk to him
2	about the counterterrorist problem, because at this point
3	Charlie Allen is National Intelligence Officer for
4	Counterterrorism. So Charlie can sit down and go over
5	the photos. How did this happen?
6	And we, we should have been braver. We turned
7	this guy over to Charlie Allen. I should have said to
8	Casey that's baloney.
9	Q Didn't your people in fact get the message not
10	to have anything further to do with Ghorbanifar? When I
11	say your people, I mean the Operations people.
12	A At this time?
13	Q Yes.
14	A I can't recall, but if there was, it wouldn't
15	surprise me.
16	Q Well, if I told you on January 14 a cable was
17	sent out of office saying no more contact with
18	Ghorbanifar, is that consistent with your recollection?
19	A With what I would have said to people? Yes.
20	It's not very consistent with an agency policy that still
21	has another guy from another Directorate dealing with
22	him, and for that I take great blame. I should have
23	fought harder.
24	Q Did you know what contacts Allen was having
25	with Chorhanifar in January and February of 1867

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1	A Well, he was on the phone. He was always sort
2	of complaining that the guy was calling him in the
3	office, that the guy was calling him at home. I sort of
4	derelict in my duty. I just let this thing run because I
5	guess I thought I couldn't stop it, and when you think
6	you couldn't stop something you now wonder historically
7	yourself, personally, did I try hard enough. But I thought
8	it was, again, if you will excuse me, sort of an amateur
9	hour activity international phone calls, winging into
10	London where the Brits are all over the place. It was
11	not a professional intelligence job.
12	But Charlie is not a professional Directorate
13	of Operations officer. You couldn't expect anything
L 4	else.
15	Q Didn't he come for a while there and in effect
16	act as Ghorbanifar's case officer?
17	A Well, that's what we're talking about, yes.
18	Q And in hindsight you would say that is a
19	. mistake?
20	A In hindsight I say I should have gone to Bill
21	Casey's office and screamed more. But we all know in
22	hindsight what we should have done at different times,
23	and maybe I wouldn't have won, because maybe Casey was
24	convinced by Bud McFarlane and the Israelis. The Israelis

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2	the teresise think Gnortenifer is a
3	tremendous source and an important person, so it's
4	perfectly possible that I would not have been able to
5	change Casey's mind no matter how hard I fought.
6	Q Let me read something that Clarridge told the
7	Tower Board to you. He says: Now, with a lot of
8	hindsight, I think the Director wanted to go on with this
9	and if he had more support from down below he would have
10	taken over the operation instead of just doing the
11	logistics because his people in Operations did not want
12	to deal with Ghorbanifar.
13	A He, the Director, meaning William Casey?
14	Q Yes.
15	A Would have gone on with what?
16	Q With this, I assume meaning the operation
17	involving Ghorbanifar and the arms.
18	A That we would have run it?
19	· Q That's right.
20	A But because we said no, he just allowed it.
21	Q To be an NSC operation, where CIA only
22	provided logistical support.
23	A I doubt it. This was going to be run by the
24	NSC. They weren't going to turn it over to the Central
25	Intelligence Agency.

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2	you thought Ghorbanifar was unreliable and that it was a
3	mistake to continue working with Ghorbanifar?
4	A Yes.
5	Q And, to your knowledge, is that why Casey
6	chose to have Allen as the contact person for Ghorbanifar
7	for the Agency?
8	A Probably. And I deserve the hit. I mean,
9	maybe I could have made the world a better place if I
10	would have taken the damn thing and run with it.
11	Q Did you ever try to persuade North that it was
12	a mistake to continue dealing with Ghorbanifar?
13	A I talked to a lot of people about Ghorbanifar.
14	I think I talked to John Poindexter at one point. I
15	think Ollie was there. I think I told Ledeen at a
16	cocktail party once that we weren't convinced Ledeen
17	really liked Ghorbanifar personally as a friend of his.
18	I told everybody as honestly as I could
19	without I don't want to destroy Mr. Ghorbanifar
20	he's got his life. But I told him we could not, and
21	maybe again, you know, Mr. Ghorbanifar got maybe it
22	would have been a smarter operationMr. Ghorbanifar got
23	Bud McFarlane to Tehran. Mr. Ghorbanifar got some
24	hostages released. Mr. Ghorbanifar didn't turn out to be
	- batal about the balls and make the decimal and

	UNCL'ASSIFIED 110
1	that's why some people think we're not tough enough, and
2	others think we should be tougher.
3	MR. O'NEILL: What is Your impression?
4	
5	It is your impression that he was
6	Soting for them?
7	THE WITNESS: Oh, yes. Oh, yes.
8	MR. O'NEILL: What would you described his
9	relationship with the Israelis as being?
LO	THE WITNESS: As an analysis of the witness of the w
Lı	MR. O'NEILL: of the government
L2	of Israel?
L3	THE WITNESS: An agent of the government of
L 4	Israel.
L5	MR. O'NEILL: Was that clear, do you think, at
16	the time? Was it made clear to Mr. Casey at the time
17	that you had these discussions with him or was that
18	something that evolved later on?
19	THE WITNESS: No, I never discussed that
20	issue, and I think I learned more of it as the thing
21	unwound, Michael.
22	MR. O'NEILL: That is your conclusion now, as
23	opposed to the one that you had then?
24	THE WITNESS: That's my conclusion now. I
25	mean, I cannot overemphasize my early conclusions that

1	1	-1
-	-	-

-	the islantis played great lotes in getting as into this,
2	but that's no excuse. We are a major power. We are not
3	to apologize because we follow close allies. This
4	Ghorbanifar and the entire Iranian thing was very much
5	part of the Israeli foreign policy plan, as I've
6	discussed.
7	I think Ghorbanifar was an agent of the
8	government of Israel. I think Ghorbanifar was looked
9	upon by David Kimche and Al Schwimmer as a very key
10	player and Khashoggi and company and there way out of
11	my league when you start talking about that whole crowd.
12	BY MR. BARBADORO: (Resuming)
13	Q When did you learn that people on the NSC
14	staff had a plan to sell U.S. arms to Iran to gain
15	release of hostages?
16	A On the Saturday morning the 18th of January,
17	1986.
18	Q Let me ask you about a couple of dates before
19	then. North's calendar shows a meeting between you,
20	North and Sporkin on January 13, 1986.
21	A I don't recall it, although it could easily
22	have happened. I would think I would recall.
23	Q What would you be talking to him about?
24	A Findings. As I understand it, Sporkin either
25	drafted, or was involved in drafting this, so if Sporkin
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_	
2	if would be to discuss a finding.
3	Q This is on the 13th, before the finding was
4	signed.
5	A Yes.
6	Q Are you telling me now that you may have
7	worked on the drafting of the finding with Sporkin and
8	North?
9	A I never worked on the drafting of a finding.
10	I recall absolutely nothing. Your question was what
11	would I have been doing with that crowd. Well, the only
12	conceivable thing I could think I would have been doing
13	would have been talking about findings. I didn't, so I
14	don't know what the hell we talked about. I can't
15	remember the meeting.
16	Q So the only thing you can remember
17	A Paul, it is perfectly possible that my
18	recollection is wrong, but I feel very strongly about it
19	because it was a very odd finding as Michael's
20	question, isn't it strange that the DDO himself is not
21	involved in a finding, and the answer is yes. I was not
22	involved in this finding, yet your question, what would I
23	be doing with Sporkin and North, well, the only thing
24	they had in common was this damn finding.
25	Q If you had worked on this finding or discussed
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1	this finding before it was signed, is it fair to say that
2	you'd remember it now?
3	A Yes, sir.
4	Q And it's your testimony that you did not work
5	in this finding before it was signed and you did not
6	discuss this finding with anybody before it was signed
7	because you were not aware of it; is that right?
8	A To the best of my knowledge I was not aware of
9	that finding before it was signed.
10	Q And if you met with Ollie North and Stan .
11	Sporkin on January 13, 1986, the only reason that you can
12	think of for such a meeting would be to discuss findings;
13	isn't that right?
14	A It's a strange trio. I mean, they would have
15	very little in common as three except findings.
16	Q But you can recall no meeting?
17	A I can recall no meeting.
18	Q North's calendar also shows a meeting with you
19	on January 16, 1986, the day before the finding was
20	signed. It just says your name on it. Do you recall
21	meeting with North on the 16th before the finding was
22	signed?
23	A I easily could have meet with him but I don't
24	recall it. Someone had to tell me what I was doing on
25	the morning of the 18th of January 1986, being told by
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1 Casey and/or McMahon to go to the White House. It was not a mystery why I was soing to the White House, because 2 I took If I were going to the White House without knowing what I was doing, I would have gone to the White House. So I knew, I guess -- common sense dictates I knew that I was going to be shown this finding, a Finding, involving the Near East area. So, therefore, asking myself the question, who told me what it was I was going to go do that morning, . 10 and I don't recall. 11 Okay. Do you keep your calendars from 12 previous years? 13 А Yes. 14 MR. BARBADORO: Can we please have copies of 15 his calendar for January 1986? MR. PEARLINE: (Nods in the affirmative.) 17 18 BY MR. BARBADORO: (Resuming) Well, me about the meeting on the 18th. You have made reference to it. Do you know why you were 20 going to it? 21 I must know why I was going. I took 22 and there was Stan Sporkin, the top lawyer, so I 23 knew why I was going. 24

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25

Now did Casey call me that morning and say

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chis is it, or had I known for two weeks. I can t
believe that. There was
abroad with the Director, I thinkwho was Acting Chief
of our Near East Division; Stan Sporkin who was the
general counsel and myself. From the White House were
John Poindexter, who by now had become the National
Security Advisor; Oliver North, Staff member; and Dick
Secord, who came in later and left earlier and was
introduced as a consultant to the National Security
Counsel to all of us.

Those six I remember. There easily could have been others -- not a lot; there might have been another staffer -- we stood up and I was handed this finding by John Poindexter and I was told we were going to support it, and again the words I don't recall, about a National Security activity that was aimed at opening dialogue with Iran and releasing hostages.

I asked very clearly the key question as I sort of read this and read this and I said, now, we are all aboard here from refraining from reporting this finding to Congress, and it was yes. It was my interpretation, as I was told that and read this, based on accumulated knowledge from the past fall and winter, that this was probably aimed at a quick fix to release the hostages, in which you would not inform Congress, ala

Hostage Rescue Mission 1979, and that somebody knew more

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2	than I knew.
3	And then we sat at the table afterwards. I
4	think John left, John Poindexter, And Secord, I think,
5	left too. But Ollie and I and the tor a while and we
6	began to discuss what was going on, which was and
7	good at this in memory and I'm not I mean only
8	that he remembers it better, being more involved that
9	we discussed getting TOWs out of Alabama and shipping
10	them to putting them on planes and
11	sending them to Israel for delivery to Iran, which
12	further cemented in my mind the thought that we were
13	going to get the hostages out.
14	and I left. was instructed by me as
15	my Acting Director, Acting Chief of the Near East
16	Division, to carry on this support as directed by the
17	President of the United States to the National Security
18	Council.
19	Q What was Secord's role in the meeting?
20	A Not a thing. He didn't say a word. I think -
21	- no, it's too speculative.
22	Q. Did anybody explain what he would be doing, what
23	his role in this mission would be?
24	A He was just produced inside the sanctum
25	sanctorum of the White House. There are no greater bona

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fides than to have the President's National Security

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2	Advisor introduce you around inside the President's
3	situation room. There is little question that you know
4	somebody somewhere.
5	[Laughter.]
6	Q Was the operation described to you in any kind
7	of detail?
8	A No. It was sort of elementary. It was a
9	logistics problem at that point.
10	Q Was it made clear to you that your role was to
11	be solely a logistics role?
12	A We were going to work with Ollie North.
13	Q Were you told that Ghorbanifar was going to be
14	the intermediary?
15	A I don't recall that. You know, I didn't sit
16	down with and and go through
17	this by the hour to study what I'm foing say today. I
18	sort of think we probably knew that, but I don't recall
19	that exactly.
20	Q After this meeting did you express your
21	concerns about Secord to anybody?
22	A We talked about this earlier. I expressed my
23	concerns about Secord to everybody that would listen to
24	me. I have no facts against Mr. Secord. I have no legal
25	determination against Mr. Secord. I expressed my concern

1	to Mr. Poindexter, probably to Ollie, and to Bill Casey.
2	I expressed my concern about trading for hostages to Bil
3	Casey and to John Poindexter.
4	As I told the Tower Commission, at no time was
5	I not given permission to express my concern on decision
6	that were made.
7	Q After January, how closely were you involved?
8	A reported to me regularly in general sense
9	I was very much involved in the beginning with
LO	great concern that sort of the American side had no
11	Americans.
L2	Q You brought George Cave into it?
L 3	A I think I personally But, you know, it was
4	all agreed George Cave was probably as knowledgeable
.5	about Iran as any American today. And we said we have
L6	got to get somebody in there that at least speaks the
L7	language. I mean, we are dealing with Iranians, and wer
L8	told there were going to be more Iranians, and I brought
L9	George in. The key question and the key answer I was
20	informed over and over again by and the money
21	problems.
22	The money didn't show up, or only half the
23	money showed up. And we couldn't ship the missiles, and
24	would come and report to me, and, as with
25	as with I have over Americans,

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and	foreig	ners on my pa	yroll, a	nd I
trust	and	totally.	. And I	delegated

it. I expect them to come to me when they are faced with a decision that is difficult, controversial.

In a sort of silly way our role in the Iranian affair was elementary. It was sort of both logistical and interpretive. I think George played a bigger role than that when he later got in it because George did know a lot.

I felt throughout the entire affair, Paul, that as with the Contra affair, that the White House was very witting of the legalities and illegalities of the roles that the CIA could play. And, God bless them, with all the problems we are all in, but they never -- they tried very hard not to cross that border to get us involved in the illegal side of it, which was shipping arms to the Contras or hocus-pocusing the money with Iranian affair.

And I never had any meetings -- worry with

-- because it was more complicated. Neither one of
them ever came to me and said, Oh, my God, we are being
asked to break the law. came regularly to me, told
me. There weren't that many meetings. There weren't
that many things we did. The decision had been made.

Ghorbanifar was the man. Then, of course,

come March, I'm beginning to doubt my own word. There
are contacts, I'm told, with senior Iranians. They may
invite a senior American to Tehran. I say to myself,
this guy's not that bad. And Bud McFarlane goes to
Tehran. It's easy for all the Americans to giggle and
laugh, but that was and second guess but that was
an opportunity that many people thought would change the
power balance in a critical part of the world.
and the Chambanifor had done it to be a selected as

And Mr. Ghorbanifar had done it, together with the Israelis. And I thought, Jesus, these guys are doing better. But, the question the press asked, the money — where was it going, who did it. did his thing, and our finance guys did their thing. And I was told what the Operations Directorate was doing.

And at no time -- which maybe I should have -- did I dash into the Director's office and say, hey Bill, we have got to stop all this stuff.

BY MR. O'NEILL: At this point, you are, as you say, receiving reports from about whatever he thinks is relevant for you to know. But what stands out, you say, is money problems. Money doesn't arrive. There is not enough money.

A Yes.

2 Joes he way to you

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there are money

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-	problems on the other side that is to say, the
2	Iranians are complaining bitterly about the price of
3	weapons?
4	A I didn't. And I can't believe I would have
5	known that and I would have forgotten
6	
7	
8	I now, as I said to the SSCI but again how
9	smart we are after the fact that the minute in
10	order to run it without Congressional approval, and to
11	run an operation in which the goods cannot be paid for
12	until they are delivered, you have to seek money, and
13	they ended up right in the middle of the worst money
14	changers in the European continent.
15	And I sort of knew that in the fall. But I
16	dismissed it in the spring and summer, particularly the
17	spring when it first started happening.
18	Q Could anybody else in your office have
19	followed this beside yourself?
20	A Bert Dunn.
21	when Juchniewicz retired, Bert came up to be the
22	ADDO.
23	Q Would he have read this
24	A I'm sure it was made available to him.
25	Whether he read it or not, I don't know.

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1	BY MR. BARBADORO: (Resuming)
2	Q Did George Cave or anybody else ever come to
3	you and say, we've got a problem here with the security
4	of this operation because Ghorbanifar says he's not being
5	paid?
6	A No. To my recollection, if George said he
7	did, I'd believe George. But I believe that if that
8	would have happened bells would have gone off in my head.
9	Q What role did you play in preparing the
10	Director for his testimony in November of '86?
11	A In November I told who has
12	been my staff aide for three years, that what he was to
13	do was to put together the absolute facts of the
14	Director's involvement, which are a matter of record X
15	meeting, X shipment there, X dollars here if we've got
16	that record, or get it from finance.
17	And that was out job. Then was to take
18	that finished piece of DDO input and hand it to its
19	McCoullough, who was Bob Gate's Special Assistant, who
20	was then going to put the Agency's thing because, of
21	course, Charlie Allen is not in the Directorate of
22	Operations and has certain knowledge of this affair we
23	don't.
24	And we put down our chronology and our facts
25	and we found at the time, as you may have already heard,

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sort of poor Ollie didn't seem to have his facts. I
don't think Ollie was fudging his facts, but Ollie didn't
seem to have a record of what dates all this took place.
And there was some debate at a meeting I didn't attend
I think Bert attended with Ollie about when did you meet
and why did you meet and where did you meet. But that
was the limit of what our input was to be.

I think put our statement down and then gave it to Jim. Jim added the rest of it and gave it to the Director and the Director, as was his wont was very, very editorialist in what he spoke. He made changes and added and subtracted.

Q Do you remember the controversy about no USG involvement in November of 1985 in the arms, in the November 1985 arms shipment, in his testimony? Do you remember that debate within the Administration about that?

A No. The debate I remember was he kept putting poor John McMahon's name in it as having agreed to the November flight, and John didn't, and everybody kept screaming at everybody. I don't remember that controversy.

Q Do you remember meeting with Ollie North on November 19, 1986?

A I met Ollie North the last time before Ollie's



troubles in the White House situation room.

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2	in John Poindexter's office.
3	Q What happened at that time?
4	A And I was in there to discuss I'm trying to
5	get it straight I was in there that day or the day
6	before to discuss
7	was going down to talk to somebody in the White House,
8	and Ollie came to a meeting in Poindexter's office. I
9	think that was the last time I saw Ollie. I don't know.
10	I'll look. I'll try to recollect. I don't
11	know what we were talking about.
12	Q It didn't have anything to do with the Iran
13	arms transaction?
14	A Well, it may have. I don't know what it had
15	to do with. I think it had to do with this chronology,
16	that our chronology and his chronology didn't fit. It's
17	coming, it's coming back from out of the dark.
18	Q And what was said about those conflicting
19	chronologies?
20	A Ollie North knew he couldn't fight us. You
21	are fighting a system that lives on record. Yeah, the
22	record may get screwed up from time to time, but you are
23	dealing with an organization that keeps absolute records
24	of what it's up to.

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25

And Ollie North, God bless him, doing fifty

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different things, could not keep records like this. And
we were saying, but there was a meeting in February, and
then there was a meeting on the 2nd of March. And Ollie
was saying, I don't know that. And we kept saying I
don't know who was with me; maybe I was alone but I
said, John, you can't fight this. I mean, this is the
facts of the matter. Ollie's got to go back to the
drawing board and figure out why his dates don't match
ours.
Q Do you remember what you were fighting about,
what the specific conflicts were?
A No I don't. I really don't.
Q Do you remember who asked for the meeting
you or Ollie?
A Well, I suppose we did, because we were very
anxious, watching this thing go public, and this is
before Meese's announcement about the money the
diversion. It is at this point a political humiliation.
Superficially it is a political humiliation. So we are
trying to be helpful in getting the record straight so
that when the record is presented, it is presented
correctly.
We probably asked, because we probably found
that the National Security I think we found memory

-- the National Security Council record did not jibe with UNCLASSIFIED

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1	ours, and we wanted to make sure everybody sat down in
2	the presence of some important figure like John
3	Poindexter and get this straight.
4	Q Do you then recall this meeting with Ollie
5	being also with Poindexter?
6	A If it's the meeting I'm thinking about and
7	I would have to check it's at that time frame. What
8	was the date again?
9	Q 11-19-86 at 4:00.
10	A That would have been it, probably. I can .
11	check my records. Would you make note of that, please?
12	Q North's records shows the meeting was with
13	"Gates and you. And it says DCI preparation underneath
14	it.
15	A That was probably it.
16	Q Do you recall Gates being at the meeting?
17	A No, I do not.
18	Q When was the last time you spoke with North?
19	A I spoke to North on the phone a couple of
20	times about that period. I met North in that office at
21	that meeting. I called North on the phone in November
22	and told him that I was about to brief the SSCI staffers
23	on our knowledge of the Iranian affair. Because that was
24	the first correct me but if I recall, that was the
25	first as informal as it was; it was in an office in

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1	the CIA building that was the first briefing of a
2	Congress in any depth, and it was really an elementary
3	briefing.
4	Dan Finn was there, and other guys, so I mean
5	it's all record. And I called Ollie and told him that we
6	were going to be doing this.
7	Q Did you ever speak to Ollie after November 25,
8	the day he left the NSC?
9	A No, never. Never since.
10	Q Have you ever talked to the Director about the
11	Iran arms deal, and the supposed diversion of funds to
12	the Contras?
13	A William J. Casey?
14	Q Yes, after November 25? That's the date that
15	the Attorney General made his announcement about the
16	diversion?
17	A No.
18	Q You've never discussed the diversion?
19	A Wait a minute. Wait a minute.
20	(Pause.)
21	No, I didn't.
22	Q You never discussed the diversion issue with
23	the Director?
24	A It's all very complicated. Meese announced
25	this on the 25th - I went to the hospital on the 4th of

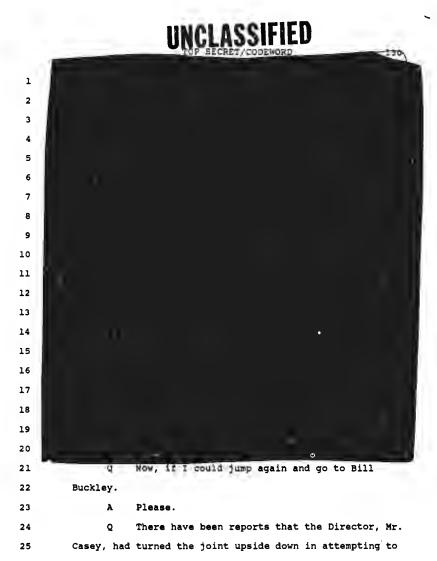
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Ţ	December. I was in the hospital for two weeks. When I
2	got out of the hospital, Bill Casey was in the hospital,
3	and I have never seen Bill Casey since late November.
4	Now if I went in there in late November and
5	sort of said, Holy cats I mean, I saw Bill Casey all
6	the time and said, holy cats Bill, what do you think
7	of this? I certainly didn't sit down and say, now let's
8	have a long conversation about the diversion of funds.
9	Q When did you first hear the possibility that
10	funds had been diverted from the Iran arms sale to the
11	Contras?
12	A When Meese announced it, or that day.
13	Q You never heard anybody discuss that
14	possibility at this Agency prior to that time?
15	A I keep feeling I'm not part of the crowd if I
16	say I didn't.
17	(Laughter.)
18	It makes you look unimportant. I can't
19	remember. I don't think anyone did.
20	Q That's all I have. There may be a few
21	questions.
22	MR. WEISS: I have just a couple.
23	EXAMINATION
24	BY MR. WEISS:
25	O If we could go back to the early part of 1985.

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1	A '85?
2	Q Yes.
3	A Okay.
4	Q Say, from January to June, in that period, and
5	I don't have any desire to go into at all your sources or
6	methods
7	
8	
9	
10	
11	The state of the s
12	A I don't believe anything Ghorbanifar says
13	Well, I'm not
14	trying to be wise. I don't believe anything Ghorbanifar
15	says even though the son-of-a-bitch got us all the way to
16	Tehran, because he fabricates, exaggerates, changes,
17	fixes it to meet his own needs.
18	So, therefore, I have to, as an intelligence
19	officer, say that Mr. Ghorbanifar's intelligence is
20	uselens
21	Name of the last o
22	
23	
24	
25	
- 3	

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UNCLASSIFIED do something about Bill Buckley. Would you say that was 1 an accurate description? No. Bill Casey cared. Bill Casey was a professional intelligence officer. Bill Casey had lived through a war. Bill Casey understood the price of what we do. He had great feeling for our business. Bill Casey would have done anything he could do legally to get Buckley out of there. But no, he didn't turn the place upside down. I would say if there was any single person 10 extremely emotionally involved in the Buckley affair, it 11 was me. 12 Casey said, well, we are going to do everything we can to 13 get the guy, and let's work our ass off, as any good 14 leader should, but that newspaper report that the whole 15 place was going crazy is not true. 16 MR. WEISS: That is all I have, Paul. 17 18 MR. O'NEILL: I have a few. BY MR. O'NEILL: (Resuming) 19 Clair, going back to early 1985 --20 Q You like that date. At least it's not '84. 21 Well, I'll go back to '84. 22 23 (Laughter.) In February, 1985, were you aware of Singlaub 24

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in Washington and

approaching

soliciting their assistan
or whatever term you use?

MONIMBO3

A No. That's the Namimbo effair. No. I don't remember. I remember Ollie North calling me all the time about that ship. It was driving Ollie North crazy. And Ollie North wanted to know what we were going to do about it. It was going to load. It was a Nicaraguan flag ship going to load in North Korea full of North Korean and



1	
2	NOW WATER Singlaub was out trying to
3	sink the Namimbo or not, God save America.
4	MR. BARBADORO: Did the arms ever get there,
5	to Nicaragua?
6	THE WITNESS: I do not know. I'm not even
7	sure the arms were even put on the Namimbo.
8	
9	BY MR. O'NEILL: (Resuming)
10	Q At the time that this project of Ollie's was
11	being floated about, were you also aware
12	A What project. Is there an Ollie project?
13	Q This is a project to somehow prevent the
14	Namimbo from delivering its shipment.
15	A The project to me was only what are we going
16	to do about this? There was no project.
17	Q At the time that he had this concern, let's do
18	something about the Namimbo, were you also aware of any
19	involvement either he or Singlaub had in approaching the
20	to assist in something like this?
21	A
22	
23	
24	Milt= says that I introduced him to a
25	INOL ADDIESED

	UNCLASSIEIED 134
1	
2	
3	
4	
5	
6	
7	
8	
9	Q So you never heard of
10	A Singlaub approaching
11	Q The approach that he made?
12	A I've never met Singlaub, nor have I ever
13	agreed to I mean I read it in the papers
14	knowledgeable of, involved with General Singlaub.
15	Q What about Ollie North doing the same kind of
16	thing, approaching invoking your name,
17	seeking funds for the contras?
18	A I would never have said to Ollie North I
19	would simply not let that happen. The CIA cannot use its
20	name to seek funds for the Contras. Now Ollie North, God
21	bless him, could have used my name. It's been used more
22	than once. But, no, I didn't say use my name with
23	
24	Q Moving on just a little bit into '85, there is
25	a depot, an ammunition depot in Managua, which was blown
	UNCLASSIFIED

up at that part of the year. Do you recall this event?

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2	A I think, if you keep going, I'm going to	,
3	recall it, but not recall anything about it. We ar	e
4	accused of doing something.	
5	Q I don't know about that.	
6	A Okay. Go ahead. Please tell me.	
7	Q Do you have any knowledge of someone by	the
8	name of David Walker, a British an ex-SAS office	r, a
9	British citizen?	
10	A None at all. Never heard of him.	
11	Q Or of any connection he may have had wit	h
12	North?	
13	A With North? No I don't.	
14	Q Or with this event, the destruction of t	his
15	ammunition depot at Managua?	
16	A No, I don't. That is a story I do not k	now.
17	Q You mentioned at one point earlier on th	at
18	Ollie was involved in getting boats and planes. Co	uld
19	you elaborate on that? I think you were speaking o	f it
20	in terms of in the context of hostage rescue.	
21	A Yeah. I guess what I was really talking	about
22	was, Ollie was forever chasing the Air Force and th	e
23	Navy. Could they get a boat off-shore, or endless	
24	schemes that the people who were going to bring the	ŧ
25	hostages out were going bring them out on boats, an	ıd



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1 2 3 4 5 7 8 And Ollie had this freighter 9 And Ollie wanted either to self it to me, 10 rent it me, lease it to me. We didn't want Ollie's ship. God bless him, but I didn't want Ollie's ship. 11 12 What did you understand about this ship other 13 than that it was offered to you? That he had it and he could get it for you 14 wholesale. 15

(Laughter.)

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Q Did you have the sense, or did he say that it would be used for other purposes, like support of the Contras?

A We all now know he was shipping arms around in it. And I think we suspected at that time he was shipping arms around in it, and we wanted nothing to do with it.

Q Do you recall having conversations with anybody at the Agency about it?

	UNCLASSIFIED 13
1	A No. Just and I. I think was
2	Chief of NE. But I'm saying we don't want that damn
3	ship. I don't care what the price is. It ain't right.
4	MR. BARBADORO: Did you know that Secord and
5	Clines were connected to that ship?
6	THE WITNESS: No, I didn't. I know now.
7	MR. BARBADORO: How did you think Ollie North
8	happened to have a ship under his control?
9	THE WITNESS: Paul, I didn't ask. It was lik
10	what's good about us is what's bad about us. We
11	didn't get involved. Our hands are clean. But should w
12	have asked more questions? That's for the historians to
13	wonder.
14	BY MR. O'NEILL: (Resuming)
15	Q Okay, now we'll go back to 1984.
16	(Laughter.)
17	A You were moving the other direction, Michael.
18	Q In the spring of that year you'll remember
19	this I'm sure, very well there was a bombing in
20	Beirut, outside the headquarters of Sheik Fadahlala and
21	people were killed.
22	A Sheik Fadahlala. You remember my 20 hours of
23	testimony before the HPSCI on that subject.
24	Q Recalling that event and what you know about
25	it and I know you've spent a lot of time looking at

L39

1	what led up to that bombing did you see or did you
2	detect any involvement by borth in any of those events?
3	A. Alb.
4	
5	
6	
7	It appeared in the
8	Washington Post with accusations that the bomb that went
	-343,434
9	off at Sheik Fadahlala's residence which killed about 70
10	people was our fault. The guilt was by association.
11	
12	N .
13	
14	
15	Q I don't mean by way of suggestion that he had
16	anything to do with it. I meant did his name crop up in
17	any discussions?
18	A don't
19	remember Ollie North's name even on the edges of it.
20	Q This is at a time when he would have had
21	responsibility for hostage rescue and at a time when, I
22	believe, there were U.S. hostages.
23	A Oh, there were. Yeah. Absolutely.
24	Q What about his relationship, if he had any, if
25	you are aware of it, to any of the people with whom you



Q You were saying earlier that in Central

America you would sometimes run into things that North
was doing where the Agency also was operating. Would
that be the case in Lebanon at all?

A I never saw his footprints in Lebanon, Michael, in the sense of being in Lebanon dealing with the Government, whatever God knows that is.

Q There is a mystifying reference in the Tower Board Report, which is, of course, derived from a PROF note. It is written by North and he refers to

A Well, that's the famous Second



1	Q Right. What do you know about that?
2	A That's another plan. It's under the big plan
3	rubric. I don't know anything. I read that I mean, I
4	didn't read the PROF note. I heard about it. It was
5	that Secord was gaing to
6	
7	It all fits under the big plan that didn't take place.
8	Q How would Secord
9	A The same way that he could get airplanes when
10	we couldn't. Remember that one. The CIA can't get an
11	airplane. Second can get an airplane. Second can get a
12	ship: Can't
13	carp
14	Q Is your knowledge about this after the fact of
15	the PROF note or
16	A I never heard of any of this stuff till these
17	PROF notes appeared, and they make me giggle a little
18	bit. Everybody is going to be smarter than the CIA.
19	Q Is it possible that there was an Israeli
20	connection here?
21	A Could essil be.
22	Secord must have had good contacts
23	somewhere in Israel. It was Israel Secord was staging it
24	to in order to deliver the arms. And they were flying
25	them to Tehran. So I suspect, guessing, Secord would UNGLASSIFIED

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1	have good Israel1 connections.
2	But we did not run across them at any time.
3	And
4	the world is awful, and it's the real world, and I have
5	never run across North or any of his compatriots on the
6	ground doing something.
7	Q The last subject, and this would call for you
8	speculation, but you were talking about the statement
9	that McMahon made to you when he said that, I've been
10	told by Bud McFarlane that the Israelis don't want the
11	CIA involved.
12	A No, this is Casey who made this to me.
13	Q I'm sorry. I thought you said McMahon made i
14	to you in Casey's office.
15	A No. Casey said to me, guess what Bud told me
16	Q Okay. All right, so the statement's made to
17	you
18	
19	
20	A Yes.
21	Q And you speculated that it was because if
22	it was an Israeli concern, if I understood you correctly
23	that would be because they were afraid that CIA would
24	have to tell the Congress. And then later on you
25	referred to the fact that because you had seen the PROF
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notes that North didn't think much of the delays that he thought were inherent in any CIA activity. As you say, it took you a long time to get a plane that Dick Secord could get in 24 hours.

I'm not sure he ever got it, but that was the interpretation.

What do you think about that? First of all, do you think that it really was an Israeli objection, or do you think that was really something that was invented at the White House.

Every Administration in this country has finally run either big and terrible, or small and unsuccessful, covert actions out of the White House. Every Administration finally decides that its spy service just can't do it, and whether it's under Carter with poor Hamilton Jordan wandering around in a red wig trying to free the hostages, or whether it's under Reagan trying to sell arms to Iran.

Finally, there is some guy in the National Security Council says, who formed that really stupid spy service we have? Let's get a good one. Let's set it up ourselves. And I suspect, having watched the Israeli side of this with Mr. Nir and Mr. Kimche and Mr. Schwimmer, that the same thing came true, that we just, this is just too important here. This Iran. We are

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going to open a dialogue. We going to get arms, and we

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are going to release hostages. So we are all going to 2 3 set up a private little -----5 6 7 Tow remembers the guys inside 8 the Agency who are always going to set up their own 9 private intelligence service. It's going to work better. 10 11 They want to set up something of their own so they can really get it done. 12 And I think the stars came together, and the 13 Israelis and the Americans found each other, and this is 14 what we see out of it. And that is all speculation, 15 totally. 16 MR. O'NEILL: I understand. 17 18 BY MR. BARBADORO: (Resuming) Two quick areas, having gone over my notes. 19

The Director's calendar showed that he met

twice with Secord. Did you know about meetings he had?

I did not know that. I never knew that.

The second thing was, Ollie North went around telling several people in the CIA, or asking several people in the CIA in the late summer of 1986 if they

would be willing to buy certain assets that he had in place in Central America. He asked me. He called me, told me about all his airplanes, would I please buy them. What did he tell you about the airplanes? He said they were a good buy. (Laughter.) Did he tell you exactly what he was selling? They were the airplanes that he and the

private benefactors are using. The Congress has given us money again. He's getting out of it. Now what do we do with our \$3 million worth of aircraft. Let's call Clair and see if we can sell them. What was the answer? It's like Ollie North's boat.

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Q Did he tell you who owned the airplanes?

Nor did I ask. Α

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And did he tell you how much he wanted for 17 them? 18

> I think he actually did, and I didn't write it down because I was too polite to want to say, Ollie, the answer is going to be no. And I listened carefully. And I think I probably called him back and said, Ollie, I've given really serious consideration to this offer.

It's like an unknown, very senior government official who called me just recently and said, Felix

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_	Rodriguez doesn't have a job. I d like you to hite him		
2	back again. You know, the phone calls I get would drop a		
3	horse, for Christ's sake.		
4	(Laughter.)		
5	But the answer is you have got to listen to		
6	people.		
7	Q I'll remember that.		
8	A Next time you call.		
9	(Laughter.)		
10	' Yeah, he had planes, and this and that. And		
11	they were all great, and they were Cassa 9950s. And they		
12	all flew upside down. And they were the only ones left		
13	that worked.		
14	Did he try to sell you an airstrip		
15			
16	A No, he didn't try to sell me the airstrip		
17			
18	Q Did he mention the ship again, that he wanted		
19	9 to sell you the ship?		
20	A Never mentioned the ship. This was all ground		
21	stuff well, air stuff and ground stuff that he'd		
22	gotten, weapons?		
23	Q Did I have the time period right? It was in		
24	the summer of '86?		
25	A Oh, I don't think he called me until Congress		
	unceassified		

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issue.

UNCEASSIFIED voted. I think it was sort of in the bag that he was getting -- you know all the time, Ollie North sat around saying, I have got to get out of this thing, I have got to get out of this thing. And I kept saying, I don't want to hear about it. God bless him, and I think it comes over in the PROF notes, where he says, you know, Jesus, one poor Lieutenant Colonel trying to run the world. Ollie didn't try to sell me the equipment until Ollie knew that Congress had voted us, or was sure the vote was going to be, that we were going to get back into it. Did Ollie ever tell you things that weren't true? Yes -- for instance, his endless conversations with the President, and other such minor details. Did he frequently exaggerate? Sure, he did. He was all alone. Look, it was grossly unfair to Oliver North to be asked what he was asked to do. I swear to God there had to be a meeting somewhere with the senior people in this government in

Somebody said, all right, we'll show the



which they decided they were going to provide private aid

to the Contras. And Michael knows the emotions of this

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1	Congress. We'll get private aid. Which sort of sounds	
2	superficially, fine, all right, get private aid. But	
3	what did they do? They turned to Ollie North. They said	
4	take care of that. The enormity of what they asked this	
5	kid to do is unbelievable. You don't just get some money	
6	and put it in a box.	
7	You've got to transfer it out of the country.	
8	You've got to transfer it to somebody. You've got to buy	
9	arms. You've got to ship them. You've got to get	
10	planes. You've got to get boats. You've got to make	
11	contacts wherever it is where the arms are	
12	going.	
13	Oliver North was asked to do the impossible.	
14	And who the hell	
15	Q Who asked him?	
16	A I assume the Administration asked him. Who	
17	else would have asked him? Now whether Ronald Reagan,	
18	said "pal" or Bill Casey said "buddy" or George Shultz	
19	.said "you're going to save the country," I don't know.	
20	Q Do you know whether Bill Casey ever asked him	
21	to do this?	
22	A I do not know that at all.	
23	Q You know he talked to Casey	
24	A Casey loved him.	
25	Q all the time. They had a close	

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1 relationship. They were close friends. Ä He would go over to Casey's house, right? Q Well, I do not know that. Q They'd meet for breakfast; do you know that? I do not know that. 7 They talked to each other on the phone a lot. Their goals were that there's a serious 9 Marxist-Leninist threat in Central America. All of that aside, and Casey, God bless him, kept me out of that part 10 11 of his life. That said, Oliver North was asked to do the 12 impossible. And so who did Oliver North end up with? 13 Oliver North ended up with some pretty tricky guys. 14 I'm not here to defend Ollie North. I'm not 15 here to attack Ollie North. But if you look at it historically, what the hell he was asked to do is not 16 17 next to impossible; it was impossible. 18 Do you think he was emotionally unstable? 19 Α I --20 Here is a guy, he exaggerates, he lies to you, 21 I mean --22 No, I don't. I think -- look, he had to run 23 this whole thing with a gum band and some balsa wood. 24 And in order to get it done, you've got to do some slight exaggeration. So Ollie would say, Clair George says this 25

is fine, the President told me that. I don't think that

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2	reflects yeah, I mean if we were all Jesuits it would
3	be sort of difficult to understand.
4	But on the other hand, if you are operating in
5	Washington and trying to do what he was trying to do, a
6	certain amount of exaggeration is to be expected.
7	Unfortunately, when it ends up like this, that it's on
8	record, and you know, I met Mike, and Mike says, I never
9	saw him, it's sad.
10	But I saw no instability. If anything else,
11	he was a work fanatic who virtually killed himself to
12	achieve what he perceived to be I guess he perceived
13	to be the President's goals.
14	MR. MOFFETT: Off the record just a minute.
15	(A discussion was held off the record.)
16	MR. BARBADORO: Back on the record.
17	THE WITNESS: To clarify the record, the
18	meeting where I was told the Israelis have Iranian
L9	contacts which they are prepared to share with the
30	Americans, which could lead to the release of the
21	hostages, that remark was made in the late summer, early
22	fall of 1985 by Bill Casey in Bill Casey's office to me
23	and to somebody else.



MR.BARBADORO: Thank you very much.

THE WITNESS: Thank you very much.

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1	(Whereupon, at 5	:11 p.m., the taking of the
2	instant deposition ceased.)	
3	-	
4		Signature of the Witness
5	Subscribed and Sworn to be	fore me this day
6	of	, 1987.
7		,
8		Notary Public
9	My Commission Expires:	

CERTIFICATE OF NOTARY PUBLIC

I, ANNE PELLECCHIA HOROWITZ, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony was taken by me by Stenomask and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

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Notary Public in and for the State of Maryland.

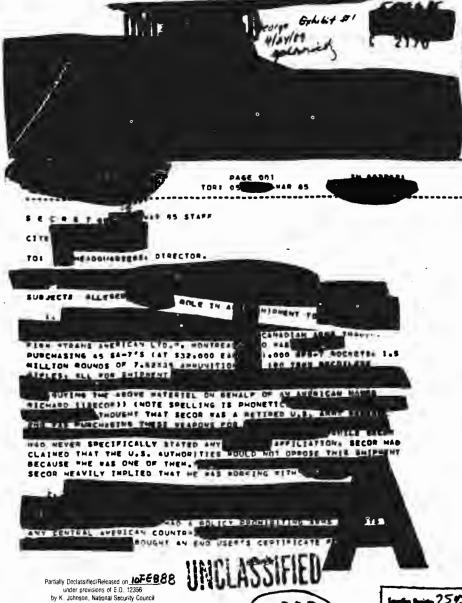
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My Commission expires / 12 / 1905

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CONTRACTORS, CONSOUTANTS--DISCENINATION AND EXTRACTION OF

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George Gx. # = 4/24/87 Ophorovity

WARNING NOTICE INTELLIGENCE SOURCES OR METHODS INVOLVED

OR: Assistant to the President for National Security Affairs

SUBJECT:

on Behalf of the C.I.A.

for Shipment to

THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE

sentative of "Transamerican In suly January 1985 a s Canadian arms trading ny in Montreal Among the 150 putchasing at satpment to purchased were 45 SA-7 missiles (at Das 32,000 million rounds

siles (at una 12,000 each), 1,000 2x35 ammunition and 100 75MM re-G-7's, 1.5 rifles. buying the material hall of American named an rai. Richard Secor, a retired U.S. Army

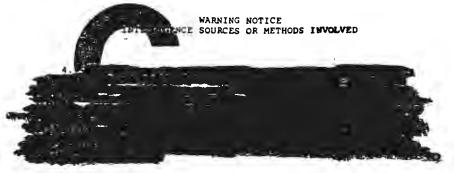
Secor heavily implied that he was making the purchases for the Central Intelligence Agency.

3. small arms exporting organization, that a policy prohibiting arms exports to The "Transamerica" representative any Central American country. <u>representative</u> obtained end-user certificates, which the ost of accepted. the arms were airshipped to unds in late January for this purchase came from either the Bahamas or Cay

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Partially Declassified/Released on 10F68 88 under provisions of E.O. 12356 by K. Johnson, National Security Council

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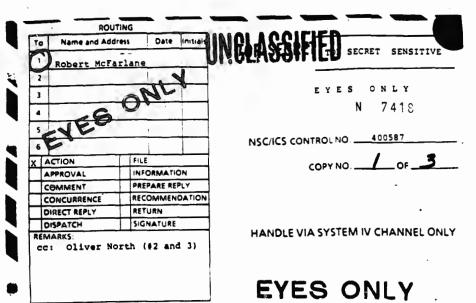


5. (Headquarters Comment: The Central Intelligence Agency is not in contact with Richard Secor, who is a retired Air Force Major General.)

Clair E Gorge Deputy Director Con Operations



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Unauthorized Disclosure Subject to Criminal Sanctions

82-710 C159

MEMORANDUM

NATIONAL SECURITY COUNCIL

SYSTEM IV NSC/ICS-400587

June 7, 1935

TOP SECRET ACTION

EYES ONLY

MEMORANDUM FOR ROBERT C.

FROM:

OLIVER L. NORTH

SUBJECT:

Status of Hostage Recovery Efforts

The two independent hostage recovery activities briefed last. Saturday have proceeded as follows:



Partially Declassified/Rehased on 10 Feb. 96 under provisions of E.O. 12366 by K. Johnson, National Security Council



UNCIASSIFIED EYES ONLY



DEA operation. At the request of the two DEA officers who originated the contact in Lebanon, I met with their asset in Washington. Last week, their intermediary expressed concern with proceeding with the operation based on the instability inside lebanon. In response to their urgings (the DEA officers were made aware of the possibility that the Dawa prisoners could be executed shortly after the end of Ramadan--June 19) and the death of one of his contacts inside Lebanon, he has now agreed to proceed as follows:

- contact in Europe as well as who was the secondary contact inside Lebanon. He will urge to return to Lebanon and arrange for a meeting on cyprus among one DEA officer himself, and
- Once contact has been established and a meeting arranged, the two DEA officers will depart for Cyprus via Vienna where they will deposit the \$200K and establish an account for the \$2M (\$500K of which will be available immediately in U.S. dollars cash for use in Lebanon).

 will then proceed to the meeting indicated above.

TOP SECRET

UNCLOSHED EYES ONLY

EYES ONLY

TOP SECRET

N . 7421

- The primary DEA contact believes that the hostages can be bribed free for SIM a piece as follows:
 - The \$200K will be sufficient to bribe

This money

will turn over the hostages to who will transport

them

Will be passed

\$250K apiece in order to bribe will cost in excess of

believes that the \$200K in cash will be sufficient to establish bona fides to passage of at least 2 hostages. to agree to Once the operation is and the hostages are through

will be provided with \$500K in cash.

will turn the hostages over to where they will be placed abcard a rented yacht for transport to Cyprus.

- will have proceeded to One of the DEA officers Cyprus to rent a safehouse as a temporary holding location in the event that all hostages are not recovered in the first attempt.
- The remaining \$1.5M made available by the donor will be released from the account in Vienna as soon ourage are aboard the yacht and at sea These sunds will be used to pay

It is assumed that the price cannot be negotiated down given the number of people requiring bribes. Both the DEA and believe that this effort will produce two hostages and that additional hostages will be released for \$1M each. The safehous The safehouse will be used to harbor/treat the first two hostages while arrangements (both financial and operational) are being made for believes that 72-96 hours would this assumes that additional the remaining hostages. be required for a second found. funding is available on a near real-time; basis. The donor is aware that the price being asked is \$1M each. He is unaware that we are proceeding with a plan to release only two if the price does not come down.

TOP SECRET

UNT HISTIAYES ONLY

UNCLASSIFIED EYES ONLY

TOP SECRET

N 7422

The DEA officers are prepared to take leave as soon as they are contacted by Travel arrangements and operational costs are currently being financed from funds normally available to the Nicaraguan resistance. Our normal point-of-contact in the resistance for these matters is not yet aware.

Summary. As discussed with ADM Poindexter, it appears that both these plans can proceed simultaneously without undue concern for compromise or-mutual jeopardy. Given that arrangements for the DEA operation will take considerable time (contacts inside Lebanon, financial transactions, and rental of yacht/safehouse),

RECOMMENDATIONS

Approve 2	Disapprove
2. That you contact the Attorney DEA officers	General and ask that the two
temporary detail to the NSC for	
Approve Land 6/9	Disapprove
Telli	(/ IAC
Took for in up	16 of 160.

That you approve proceeding with the plans outlined above.

Attachments

TOP SECRET

UNCCASSIFICIEYES ONLY

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8page N 7424 thruln-7431

> DENIED IN TOTAL

7 Dec 85 8-4068#

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7 December 1985

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MEMORANDUM FOR THE RECORD

SUBJECT: MSC Mission

artially Declassified/Released on 10 FE6 38 under provisions of E.O. 12356 by K. Johnson, National Security Council

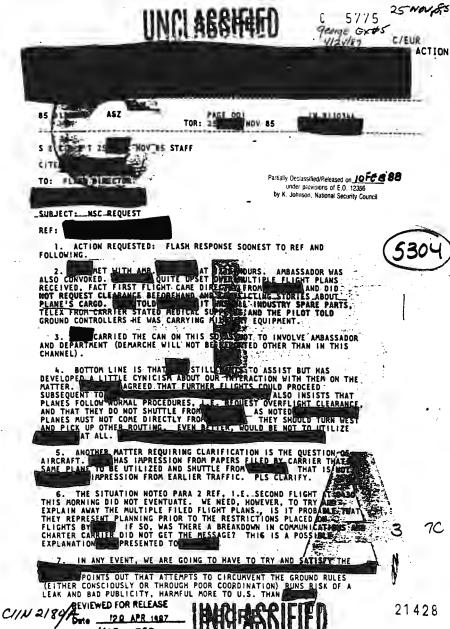


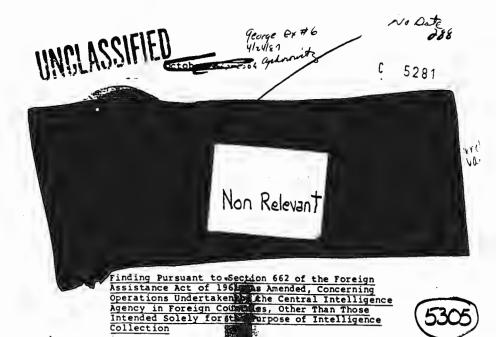
- 1. On Saturday, 23 November 1985, Ed Juchniewicz asked me if I was aware of all the activity transpiring on the effort to get the hostages out. He showed me a cable to be asking that we pass a message to the charge from the Deputy Assistant to the President for National Security Affairs. The message issured the charge that only the Secretary of State and Ambassador Dakley were aware of the operation. I told Juchniewicz that I was unaware of the specifics of the operation but due to the sensitivity of the operation, it was appropriate that we pass correspondence between the NSC and the ambassadors overseas, but only communications, that we could not be involved without a Finding.
- 2. On Monday, the 25th of November, while visiting the Office of the 200 second on a flight that was present and had given Clair George a Spot mission. I went through the overhead pointing but that there was no way we could become involved in any implementation of this mission without a finding. Mr. Judhniewicz explained that we sid not make the arrangements. When Jeneral Second visited the Agency he tried to get leads on airlines that might be available to move equipment to the Near East in a secure fashion. We told him we sid not have any such airlift capability. However, Mr. Judhniewicz said it was pointed out to General Second that there was a commercial airlift that might do it owned by arrangements for a flight on a strictly commercial basis.
- 3. Somewhat distressed at this turn of events, I immediately informed our General Dounsel after confirming with Dewey Clarridge our involvement. I instructed the Development to immediately go over and orief the General Counsel and so advised the General Counsel at 515, the evening of 25 Dovember, he informed he later that dight that a Finding would be required, not so much from the airlift standpoint, but from our involvement in influencing foreign government officials to assist the mission. A Finding was prepared the next day. The Finding was cleared with the Director who called McFarlane and Don Regan to ascertain that indeed this had Presidential approval and to get assurances that a Finding would be so signed. After repeated calls to NSC personnel on 27 November and during the week of 2 December continuously receiving reassurances of the President's intent to sign the Finding, we were notified on 5 December that indeed the Finding was signed. The President directed us not to inform Congress for the reasons of the safety and secure release of the hostages until he so directed.

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4. (On 25 November, the Ambassador in cabled the Director personally moting that Ambassador would like to talk to the Director on the telephone. In response, I released a cable to the Ambassador assuring him that the operation that he had been briefed on by the DCM was initiated by the National Security Council but suggesting it would not be wise to attempt to reactivate our request to get

John II. AcMahon





I have been briefed on efforts being made by private parties to obtain the release of Americans held hostage in the Middle East, and hereby that the following operations in foreign countries (incluse all support necessary to such operations) are important to the national security of the United States. Because of the extreme sensitivity of these operations, in the exercise of the President's constitutional authorities, I direct the Director of Central Intelligence not to brief the Congress of the United States, as provided for in Section 501 of the National Security Act of 1947, as amended, until such time as I may direct otherwise.

SCOPE Partially Declassified/Released on 10 FE6.88 DESCRIPTION under provisions of E.D. 12356
HOStage Resculy K. Johnson. National Security Council Middle East

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The provision of assignees the Central Intelligence hency to private parties in the litting to obtain the release of Americans held hostage in the middle East. Such assistance is to include the provision of transportation, communications, and other necessary support. As part of these efforts certain foreign material and munitions may be provided to the Government



of Iran which is taking steps to facilitate the release of the 5282 American hostages.

All prior actions taken by U.S. Government officials in furtherance of this effort are hereby ratified.



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REVIEWED FOR RELEASE Date 15 APR 87

C11N2180

Finding Pursuant to Section 662 of
The Foreign Assistance Act of 1961
As Amended, Concerning Operations
Undertaken by the Central Intelligence
Agency in Foreign Countries, Other Than
Those Intended Solely for the Purpose
of Intelligence Collection

George 15x # 7 4/24/87 \$C 1722 approving

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.

SCOPE

DESCRIPTION

Iran

Assist selected friendly foreign liaison services, third countries and third parties which have established relationships with Iranian elements, groups, and individuals sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its heighbors and with respect to terrorist acts, and [3] furthering the release of the American hostages held in Beirut and preventing additional terrorist acts by these groups. Provide funds, intelligence, counter-intelligence, training, guidance and communications and other necessary assistance to these elements, groups, individuals, liaison services and third countries in support of these activities.

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The USG will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the Government of Iran by providing these elements with arms, equipment and related materiel in order to enhance the credibility of these elements in their effort to achieve a more, pro-U.S. government in Iran by demonstrating their ability to obtain requisite resources to defend their country against Iraq and intervention by the Soviet Union. This support will be discontinued if the U.S. Government learns that these elements have abandoned their goals of moderating their government and appropriated the materiel for purposes other than that provided by this Finding.

The White House Washington, D.C. Date January 17,

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DEPOSITION OF RONALD D. GODARD

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Thursday, May 21, 1987

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U.S. House of Representatives, Select Committee to Investigate Covert Arms Transactions with Iran, Washington, D. C.

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d/Bettherd on Dr. C. (1/1919)
under provisions of 3.0, 12356
by D. Sitto, National Security Council

presiding.

Committee.

Select Committee.

Department of State

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The Committee met, pursuant to call, at 3:10 p.m.,

B-352, Rayburn House Office Building, Terry Smiljanich

Present: Tim Traylor, on behalf of the House

Also present: George Taft, Legal Division,

Terry Smiljanich, on behalf of the Senate Select

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MR. SMILJANICH: I understand that this reporter is a notary public in the State of Maryland. I have no objection to this reporter administering an oath for purposes of this deposition, and have no objection to the form of the oath. Whereupon,

RONALD D. GODARD

was called as a witness and, after having been first duly sworn, was examined and testified as follows:

EXAMINATION ON BEHALF OF THE SENATE SELECT

COMMITTEE

BY MR. SMILJANICH:

- State your name, please.
- My name is Ronald Duant Godard.
- Mr. Godard, you know my name is Terry Smiljanich. I am here to take a deposition on behalf of the Senate Select Committee on the Iran-contra matter. Also with us is Tim Traylor, who represents the House Select Committee on the same matter.

I just want to ask you some very brief, general questions concerning your knowledge about certain matters. If there is anything I ask you or if you don't understand my question, please let me know that you don't understand and I will be happy to rephrase my question.

Very good.

provisions of E.O. 12356 National Security Council

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UNCERS SAFTED You are currently Deputy Director for Central American Affairs in the Bureau of Inter-American Affairs? That's correct. Department of State? That's correct. How long have you held that position? I have held that position since July 8, 1985. What are your duties as Deputy Director? As Deputy Director, I am in charge of bilateral relations with Nicaragua, Costa Rica and Honduras. have also been involved in regional affairs in one capacity or another, and duties as assigned to me by the Director of the office. Is there currently a Director of the office? The Director is currently on TDY assignment,

O That is Rick Melton?

A Richard H. Melton.

Q Who does he report to, when he was Director?

temporary assignment to San Jose, Costa Rica, as charge.

A Richard Melton reports directly to the Deputy
Assistant Secretary in charge of Central American Affairs,
and ultimately, of course, to the Assistant Secretary in
the ARA Bureau.

Q And William Walker is the Deputy Assistant Secretary whom he reports to?

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 A That's correct.

Q There is an organization or group called the Restricted Inter-Agency Group that has been in existence for some time, which deals with Central American policy or Latin American policy also, is that correct?

A That's correct, known by various names.

Q Let's start off with when you first came in July of 1985. What organizational structure was in existence in terms of an inter-agency panel or group?

A Here let me stress that I did not attend
RIG meetings, but what did exist at that time as an
inter-agency coordinating body was what was called the
RIG for Central America. It was a restricted inter-agency
group.

After the passage of the humanitarian assistance legislation, its implementation beginning in I guess it was October of 1985, there was a more formal inter-agency group created that was then supervised by a senior inter-agency group, and that structure was set down, as I recall, in an executive order.

Q Was the inter-agency group that was formed or created in October of 1985 also referred to as a restricted inter-agency group, a RIG?

A The terms are used sort of interchangeably, and quite frankly there is also a restricted inter-agency

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group, a RIG for Latin America, which is a much broader, much larger group, and as I understand the term, and I did not go to either body, I stress again, to their deliberations, the Restricted Inter-Agency Group was a much broader organization, whereas the IG, as I knew it, was limited to representatives from four or five agencies.

- Q Let's start with the RIG, the larger group.

 When the larger group, when the RIG dealt with Central

 American matters as opposed to South American, what

 groups -- I understand you did not attend the meetings,

 but you must have had some understanding of the fact that

 such an organization existed and who was attending.
 - A Yes.
- Q . Who, to your knowledge, were the various groups and people who were represented at the large RIG?
 - A At the large RIG?
- Q Yes.
 - A For Central America?
 - Q Yes.
- A There I do not think of it in terms of being a large RIG. This is a smaller group.
 - Q Tell me who you --
- A The agency representatives, insofar as I know, were DoD, Nestor Sanchez, for the Central Intelligence

 Agency

 for NSC Ollie North, and Ray Burghart

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 also often attended from NSC. Elliott Abrams; and then there was a representative from the Joint Chiefs of Staff, and I don't know who that was. It has changed now.

Q Was there, to your knowledge, a smaller working group which dealt specifically with the contras?

A There were working groups derived from the inter-agency group that got together on an informal basis to discuss specific problems, as desirbed by the participants, and as directed by Elliott Abrams.

Q Specifically, I realize this may not have been a formal organization, but was there a smaller working group, inter-agency group, dealing with matters involving the Nicaraguan resistance, that was more tightly held, the information within that group more tightly held than the larger formal RIG, and composed primarily of Elliott Abrams, and Ollie North?

A I don't know if it had an organic identity as such, but those three individuals certainly got typether and discussed issues regarding democratic resistance.

- Q With approximately what frequency, to your knowledge, did that group get together to discuss the Nicaraguan resistance?
 - A Here I would have to estimate.
 - Q I understand.
 - A I just don't know from my own knowledge. I

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would say once a week perhaps.

Q Was that group known by any particular name?

Did people refer to it as something that would identify

it in your mind as those three particular people dealing

with that matter?

A It could easily have been known as a specific group by other people. I did not think of it in those terms myself, since I was aware that there were other participants in the formal RIG or IG structure.

Q Did you ever hear of the folks referred to as a RIG-let or mini-RIG, anything like that?

A I have heard those terms. I can't remember now when I first started hearing them, but I don't remember it in reference to those three people.

Q But you did have an understanding that these three people would on an informal basis meet approximately once a week to discuss matters involved the Nicaraguan resistance in Central America?

A Yes, once a week, once every two weeks, whatever as necessary.

Q And this is during what period of time?

A Well, certainly from the beginning when I first came to Washington in July of 1985 through the beginning of the humanitarian assistance program, and after that until the middle of last year anyway.

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Q Until the summer? 1 2 That's right 3 4 Yes. 5 Since then, since the fall of 1986, is there in fact a formal organization set up to deal specifically 6 7 with the Nicaraguan situation? That's correct. 8 That is called the IC-M? 9 10-N, and it is supervised or its activities 10 are reviewed by senior inter-agency group, which is 11 chaired by Mr. Armacost. The RIG and the smaller working group of the 13 RIG were chaired by Elliott Abrams, is that correct? 14 That's correct. 15 When these groups formed policies or made 16 decisions, how were you informed of the actions of these 17 groups? 18 I was indirectly given instructions. My 19 boss, Rick Melton, is not a participant ordinarily. I 20 suppose occasionally he might have been invited to 21 meetings, and indeed did occasionally, was invited to 22 meetings. That happened on an informal basis as well. 23

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Depending on the issues to be discussed others would be

invited, and Rick would come back and there would be

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taskings or instructions for our office to carry out, to produce papers or whatever, so that is how I would get instructions.

- Q When you started as Deputy Director for Central American Affairs, what has come to be known as the Boland amendment, the second Boland amendment, which provided for a complete cut-off of all U.S. aid to the Nicaraguan resistance was in effect in July of 1985 when you accepted your position, is that correct?
 - A As far as I know, it was.
- Q Were you given anything in the way of guidelines or instructions as to permissible or non-permissible activities in light of that legislation?
- A You mean upon my arrival in Washington and taking up my duties?
 - Q Right.
- A No, I was not given any specific instructions.

 I did have some consciousness from my previous assignment that there was a Boland amendment and that there were restrictions on what Government agencies could do.
- Q Did you at some point ask legal counsel at State Department a question concerning what your actions should be in light of the Boland amendment?
- A At one point I recall asking for an interpretation of the Boland amendment, telling me what it

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23 24 25 actually provided, and I think "L" did provide or did produce a document which sort of gave the outlines of the Boland amendment.

- Q Had anything in particular raised this question for you?
 - A I don't recall.
 - Q Do you remember who provided the --
- A Peter Olsen would have been the one that I approached on it.
- Q You told us at our interview several weeks ago about the time in which you, you meaning your organization, were getting calls from people wanting to know where they could contribute.
 - A · Yes.
- Q When they could contribute money to the contras, and where they could do this, and that you had a question about how you should handle that, and you went to Peter Olsen.
 - A Correct.
- Q To get some guidance. Is that what you are talking about?
- A No. That is not exactly what I am talking about. We did, of course, seek, in handling this correspondence, to get cleared through "L" a letter that was acceptable in terms of the law, but questions

about the Boland amendment came up in other contexts as well, and I simply can't remember what the instance was that prompted me to request that information.

- Q Do you recall when this was?
- A No.
- Q Could you relate it to when you started your duties?
- A Not really. It could have been much later than that. I remember being very confused at one point as to whether the Boland amendment, if it had an ending point, and I think that was one thing that concerned me, because there were two schools of thought. People were saying various things, that it was still in effect, and others that it was not, and I think that was one of my specific questions of Peter Olsen.
- Q Your confusion arose from the fact that there was on one hand a Boland amendment cut-off. On the other hand, there was new legislation authorizing \$27 million in humanitarian aid?
 - A That's right.
- Q And your question was, well, does that supersede Boland?
 - A That's right.
- Q Does that mean the original cut-off was over with or not?

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That's correct, and there were people who --

implement?

yes, there were both schools of thought, as I recall.

Q Can you recall anything specific that was decided that you were told by the very small working group involving the contras composed of Abrams, North and were you ever told that this particular group had come up with any decision that youwere supposed to

A What Rick would come back with for me were instructions to do things in the way of getting information from our embassies, our instructing our ambassadors to go in and do representations to the governments they were accredited to. I'm sure there must have been instances when he came back and said it has been decided, but his instructions came from Elliott. It was not conveyed as an IG decision per se. He worked for Elliott and he came back, Elliott wants this, Elliott wants that.

Q Prior to the time it became a matter of some public discussion, were you ever apprised of the fact that there was some type of a secret airfield in that was built by some people, to be used for

A I heard rumors about it being in

and quite frankly I confused it with another

airfield that I was aware of

contra resupply?

1 2 3 5 7 8 they were talking about? 10 11 cally recall who told me this. 12 13 14 America involving the Nicaraguan resistance? 15 Sure. 16 That was pretty well known, wasn't it? 17 Sure. 18 19 20 21 22 23 you know about it, or hear about it? 24

and I had thought that was what people were talking about. I subsequently discovered relatively recently that it was something else. Do vou recall who was discussing it and what they were saying when you had this confusion about what Ind I don't specifi-You were aware, were you not, throughout the latter part of 1985 and through 1986 that Ollie North was very active in connection with matters in Central

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What view did you have of it? In other words, what was your impression of what Colonel North was specifically doing in Central America, and I would assume that you would have some curiosity about it, being the Deputy Director for Central American Affairs. What did

I heard rumors. I was not clear that there

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that context.

 As I recall, there were press stories as well during that period on what the NSC was about in the area of private contacts, and that is about it. I did not

was illegal activity going on, but the rumors were in

probe deeper than that.

Q You mentioned press reports. In August of 1985, The New York Times ran a story which specifically named Ollie North as the White House staff person who was coordinating activities involving the contras' military efforts in Central America, allegedly in violation of existing statutes, and in fact the Managua newspapers picked it up, Izvestia ran an article on Ollie North, so there was a lot of press focus on North in August of 1985.

Did you, in response to any of that, do any looking into the situation to try to find out whether there was anything behind these allegations?

- A No, I did not.
- Q Do you know if anyone else did at State Department?
 - A No, I do not.
- Q Was there a reason why you didn't look into it? Were you not curious as to whether or not -- go ahead. Was there a reason why not?



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23 24 25 A I was very curious but it really wasn't our responsibility to do that, insofar as I interpreted my job. Perhaps if there was illegality, it was for the law enforcement agencies to look into.

Q You mentioned some of the rumors surrounding Colonel North's activities involved the question of legality. What specifically did you hear about that?

A Well, fund raising, talk about fund raising.

Mostly that, that he was involved with a private network of raising money, and he was obviously in contact with resistance leaders frequently as well.

- Q How did you know that?
- A Hearsay, people told me he was.
- Q. Throughout the latter part of 1985 and the first part of 1986 there was a large and understandably cocerted effort within the bureau to try to get new legislation passed authorizing aid to the Nicaraguan resistance. Were you a part of that legislative effort?

I know that, for example, Jim Michel was very involved with it, and other people. Was that one of your tasks?

- A Very much so, yes.
- Q During that time period, though, what was your understanding as to how the contras were being supplied or provided during this period where they had

no aid coming to them?

A Well, it is my understanding that they had private sources of funding. I didn't know who the suppliers were per se. At a time I had been in Costa. Rica I had heard mention frequently of foreign countries that were donors to the resistance. I had also heard that there were American citizens who were contributing to them.

As we went into the arrangements for the humanitarian assistance program, we were also thinking as we approached that that we were building on an existing supply network. By that I mean the Nicaraguan humanitarian assistance program, for instance, was not going to have to create something out of whole cloth so far as delivering those supplies, that there was an existing network for getting stuff to them, which simplified the task, we thought.

- Q In other words, it was your understanding that the Nicaraguan resistance had its own logistics system --
 - A That's correct.
- Q -- in place, which the humanitarian aid program could make use of, in getting the humanitarian aid to the resistance?
- A Right. In other words, we would simply deliver it to them stateside and then they could take care of

getting it where it was supposed to go.

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When the humanitarian aid program actually got off the ground, did you discover that in fact it wasn't the case that they had a very well-organized logistics system to handle this?

At one point I remember talking about this with Bob Duemling, who was the director of the program, and he discovered as he worked along with the program that this logistical network which he thought when he went into the program was much less than what he had hoped.

- Did you know whether or not Ollie North had anything to do with the logistics system?
- I suspected that he did, but I don't know that.
 - What was the basis of your suspicion?
 - Α The news reports, for one thing.
 - Anything else? Q
 - Α Just rumors.
- Did he ever talk to you about any of those matters?
 - No. Α
- Did you have very many meetings one-on-one with Colonel North?
- Ran into him in the halls when he was coming to meetings in the front office of the bureau, but other



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than that, no.

Q You mean meetings where he was going to go in and talk to saiott Abrams?

A That's correct.

Q But did you ever participate in any one-on-one meetings just between you and Ollie North to discuss anything?

A There was one one-on-one meeting; this was in San Jose, Costa Rica, before I even know who Ollie North was, really. He was down there, it must have been during my first. I just don't recall. It was when Ambassador windsor was there, so it wasn't my first ambassador, it was my second ambassador, and it would have been probably in 1984 where he was in town. He sought me out to chat a little bit about the ambassador actually, and it was about a five- or ten-minute conversation.

O Do you recall what it was about?

A He was worried about

Q Were you involved at all in any of the series
of meetings that were held with General Singlaub
concerning a trip he was going to take

in the spring of 1986?

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 Rick Melton met with General Singlaub?

I wasn't involved in those.

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 Q In which Assistant Secretary Abrams or sometimes

You didn't sit in on any of the meetings?

A No. I was aware at least of one of the meetings that Singlaub was going to meet with Rick. I was not aware of the contents of the meetings until after the fact.

Q When General Singlaub went there were then some fund communications back and forth from there. While he was were you aware of the fact that General Singlaub was specifically trying to get some private solicitations for the contras?

A I recall, I seem to recall, and here let me tell you that after when I really became aware of what happened in those meetings was when I was asked by the bureau to collect some documents for you people, as a matter of fact, I think.

- Q So you have seen the series of memos?
- A That is when Rick turned over to me the six
 memoranda and then I collected them for the rest of the
 bureau and turned them in, but I seem to recall that I
 was aware that Rick was expecting a call from Singlaub
 but I did not know the content of

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what they wanted to talk about.

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Q There is at this point a bit of discrepancy in who can remember what about that. Let me tell you what the discrepancy is and then see if you can come down on one side or the other and tell me if you have any information about it.

On the one hand, there is the allegation that

General Singlaub thought that he had the okay to make

these approaches, and that then he got a phone call while

he was over there telling him "Don't do it, we have changed

our mind."

The other side of the story is that, no, he was never told that it was authorized, and he called from there and was then finally, you know, it was finally too late to put him off anymore. He had to be told, "We're sorry, but we're not going to give you the signal that you want us to give to the foreign government."

Do you have any information one way or the other as to which of those two is more accurate?

A No, nothing beyond the memoranda that I read.

MR. SMILJANICH: I have no more questions.

EXAMINATION BY THE HOUSE SELECT

COMMITTEE

BY MR. TRAYLOR:

Q I have a couple of questions to cover some ground that Terry covered already.

You stated that you did not attend the RIG or the IG meetings. Did Bill Walker ever give you readouts on the meetings that he attended?

A Yes, he did. I said earlier that it was Rick, but sometimes Rick and I would together go up and Bill could give us a read-out. I don't remember ever getting a read-out from Elliott directly, and there would be instances I'm sure when Rick was gone for one reason or another, when Bill would just call me up by myself to give me a read-out.

Q Could you give an example of what kind of a read-out Walker or Melton would give you?

A If Rick were there to actually give a direct read-out on what went on -- as I say, he didn't always attend the RIG or the IG meetings; he may occasionally have gone to those -- it would be there was a RIG or an IG meeting this afternoon, and we have got some things to do. We need to get a table out find out what they know about this incident. Elliott needs some more information on such and such a thing. We have

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got to tell to be careful about such and such a thing or we have got to find out from them such and such information.

Q From these read-outs or briefings that were given to you, did you ever have the impression or belief that these RIG meetings they were discussing involved the contra resupply operation?

A No. Well, of course, until we were doing humanitarian assistance.

Q Of course.

A Which was a major item on the agenda.

Q Lethal aid?

A Yes.

Q Regarding the secret air strip
you said you heard veiled references there was this strip,
and you said you couldn't recall. This issue is an
important one to us, to this investigation, to know the
extent of the knowledge and when it was first known.

I take it these rumors, from what you said earlier, that you possibly heard them

A Yes.

Q From people

A Yes.

After you had assumed your current job?

UNCHAR SHIFTED Yes, after July of 1985. I was Q Would it be fair to say that it is likely, then, that you learned about this air strip in Probably. A of 1986? That is

Would it also be fair to say that it is possible

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that you learned it

Possible, and as I say, it just didn't register with me,

Q I would like to talk a little bit about the bad blood between the past I guess and now between ARA and INR.

A Yes.

Q And your knowledge of that, and the extent of the problem if you could.

A Yes. My previous ambassador, my first ambassador was Frank McNeil, who came to be the Deputy Director of INR. I maintain contact with Frank, and have talked to him frequently really during the period when this bad blood was supposed to exist. Frank never spoke directly to the problem with me. I heard from other people that there were disagreements between Elliott and Frank, the feeling being that the analysis was wrong and was skewed for ideological reasons.

I have seen the same reports that were objected to by my front office, but I do not have direct knowledge of the feud between the two personalities involving Elliott and Frank McNeil. I only heard of it from third parties, and I have heard that the role of INR

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as a counselor or adviser to ARA was circumvented. They were shut out of things because of this disagreement.

I have no feel for how extensive INR's role in that regard was with ARA before, because I wasn't there. It was certainly my impression since I arrived that INR was not really in the confidence of my front office.

MR. TRAYLOR: Thank you, Mr. Godard. I have no other questions.

MR. SMILJANICH: Nothing further.

(Whereupon, at 3:45 p.m., the deposition was adjourned.)

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Committee Hearings

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U.S. HOUSE OF REPRESENTATIVES

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DEPOSITION OF ROY S. GODSON

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Thursday, September 10, 1987

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House of Representatives,
Select Committee to Investigate

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Covert Arms Transactions with Iran,

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Washington, D.C.

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The select committee met, pursuant to call, at 9:30 a.m., in Room B-336, Rayburn House Office Building, Thomas Fryman [Staff Counsel to the House Select Committee] presiding.

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Present: On behalf of the House Select Committee: Thoma

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Counsel; Spanoer Oliver, Associate Counsel; and Ton Ciehanski, Investigator, and Burt Hammons, Associate Counsel.

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On behalf of the Senate Select Committee: Thomas McGough, Senate Staff Counsel, and Burt-Henmond, Investigator.

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On behalf of the Witness: Earl Silbert, Esquire.

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Whereupon

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ROY S. GODSON

26 was called for as a witness and, after having been duly
 27 sworn, was examined and testified as follows:

HR. SILBERT: My name is Earl Silbert. I am acting in behalf of the witness, Roy Godson.

I would like to introduce and make a matter of the record at the outset three documents. First is a letter from me addressed to the Monorable Congressman Lee M. Hamilton, attention of John Mields and Mr. Thomas Fryman. That was a letter dated September 8, 1987, and related to my understanding of the scope of the deposition of Mr. Godson. And briefly summarized, it simply states my understanding the questions will relate to

Switzerland, but that particularly within the category of questions relating to Switzerland, I wanted to be sure that the questions were germane to the appropriate subject matter

of this committee, that is, within the scope of the mandate of this committee.

attached to the letter a document that I would like marked as Godson Exhibit number 2, or however you handle documents such as this, a Washington Report of Congressman Lee Kamilton dated August 9, 1987, in which he set for the

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PAGE 3

48 policies that were being investigated by this Select
49 Committee.
50 . The third document is a letter that I received in

response form Mr. Fryman dated September 9, 1987, in which he acknowledged receipt of my letter dated September 8, stated that he did not agree with some of the statements about either the prior interview of Mr. Godson to which reference was made in my letter or about our discussion of the scope of today's deposition.

And together with his letter, Mr. Fryman attached a copy of the House Resolution 12 establishing the House Select Committee.

I would simply state for the record, Mr. Fryman, that my recollection is unequivocal, it doesn't mean I am saying your recollection is wrong, my recollection is very clear as to what I understood the scope of the deposition to be and it was, that in mind those only subjects on which I prepared Mr. Godson for his deposition today.

In particulars since ha is under oath, I would feel very much remiss in proceeding, almost guilty of malpractice, if I permitted him to go forward and respond to questions under oath on subject matters for which he was not prepared by counsel.

. So I hope that the questioning can be confined to those two areas as my recollection is clear.

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ME:	HIR253000 UNCLASSIFED PAGE 4
73	. MR. FRYMAX: What would you like to mark as an
74	exhibit, Mr. Silbert, the two letters?
75	MR. SILBERT: Yes.
76	MR. FRYMAN: And Congressman Hamilton's report?
77	. MR. SILBERT: If you want to have the House
78	Resolution as a further exhibit, I have no objection.
79	. MR. FRYMAN: I don't think that is necessary. That
80	is part of the record of this committee.
81	. If we would mark as Godson Deposition Exhibit 1 for
82	identification, I think it appropriate to mark all of these
83	documents as one exhibit, Mr. Silbert.
84	. MR. SILBERT: That is fine.
85	. MR. FRYMAN: The two letters and the Washington
86	Report from Congressman Hamilton that Mr. Silbert
87	identified.
88	. After further discussion between Mr. Silbert and
89	me, we have decided that the best way to proceed is to mark
90	his letter of September 8, 1987, Deposition Exhibit 1A; my
91	letter of September 9, 1987, Deposition Exhibit 1B; and the
92	Washington Report of Congressman Mamilton, dated August 19,
93	1987, Deposition Exhibit 1C.
94	. [Deposition Exhibits 1%, 1%, and 10 were marked for
95	identification.
96	. MR. SILBERT: The only other matter I wish to put
97	on the record at this time is the fact that your letter

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I just wish to put on the record and make it clear that I. 100 as counsel for Mr. Godson, Professor Godson, have no 101 clearances of any nature whatsoever to my knowledge, certainly none so far as I am aware with respect to this proceeding. I don't think I have any. 103 104 And, as a result of that, in the course of my representation of Professor Godson, I have never discussed 105 106 with him any material that I thought was classified and certainly as far as I know he has advised me he has never 107 108 told me anything or discussed with me anything he considered 109 classified because he was aware that I did not have any 110 clearances.

98 referred to this deposition being classified as top secret.

. I only state that as regard any questions that might relate to a classified area, since I would never have had a chance to prepara Mr. Godson as his counsel to respond to inquiries on such questions.

. MR. FRYMAN: Mr. Silbert, I was going to say that I had three preliminary remarks to make, and you have anticipated the first one.

. MR. SILBERT: Very well.

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. MR. FRYMAN: On the subject of classification of the deposition, I did indicate in my letter to you that this deposition and the transcript of the deposition would be classified top secret. I did that in response to what I

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with respect to the purpose of his fund raising in

connection with certain events in Nicaragua.

Prior to the commencement of the deposition this

morning, you and I have discussed this matter and we have

concluded that it may not be necessary for the deposition to

be classified and we have agreed that we are commencing the

daposition on an unclassified basis.

123! thought was a concern of yours about Mr. Godson testifying

If we reach the point that it appears that some of the questions involve areas that may relate to classified subjects, we have agreed that we will suspends the questioning and we will then discuss how we should proceed.

MR. SILBERT: That is the reason--

136 . MR. FRYMAN: The second comment I wanted to make is
137 in response to our comments about the areas of investigation
138 and our prior discussions and the prior interview of Mr.
139 Godson.

As I stated in my letter, I do not agree with some of the statements in your letter. So far as I am concerned the scope of questioning today is governed by House Resolution 12. Which I sent you a copy, but it seems to me that there is no purpose to be served at this point with you and I getting into a lawyer's argument back and forth, and I will just let the record as far as I am concerned remain with the exchange of latters between us.

NAME: HIR253000 UNGLASSIFIFT The third point I wanted to make, however, is in response to our comment about your not being able to prepare 149 Mr. Godson on any subjects other than the subjects that you 150 referred to in your letter. In your letter of September 8, you asked that I advise you 1.52 153 by the close of business on Wednesday, September 9, if I had any disagreement with your letter and my letter was sent to 154 155 your office before the close of business yesterday. 156 So as far as I am concerned, you were on notice of 157 my position as to the scope of this deposition prior to the close of business yesterday, which was the time you asked to 158 159 be notified of my position, and so far as I am concerned, 160 the scope of the examination today is governed by the 161 subject matters set forth in House Resolution 12. 162 MR. SILBERT: We just respectfully disagree on 163 that. 164 MR. FRYMAN: Right. 165 EXAMINATION ON BEHALF OF HOUSE SELECT COMMITTEE 166 BY MR. FRYMAN: Mr. Godson, would you state your full name for the 167 168 record, please? 169 Roy S. Godson. 170 Q In what city do you reside, Mr. Godson? 171 Washington, D.C.

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Where did you obtain your undergraduate degree?

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NAME:	HIR2530	UNCLASSIFIED PAGE 8
173	. 1	Middleburg College.
174	. 9	Is that in
175	. 1	Vermont.
176	. 9	What was your field of study?
177		Political science.
178	. 9	And you received a B.A. from Middleburg?
179		Correct.
180	. 9	What year was that?
181		1964.
182	. 9	Did you pursue graduate studies after receiving
183	your 2	i. A. ?
184	. 1	At Columbia University.
185	. 9	In what field?
186	. 1	International relations, national security.
187	. 9	Did you receive a further degree?
188	. 1	An H.R. and a Ph.D.
189	. 9	What years did you receive those degrees?
190		I can't remember exactly, but M.A. would be in the
191	late s	ixties, and Ph.D. in the early seventies.
192	. 9	Did you write a dissertation in connection with
193	your F	h.D.?
194	. 1	I did.
195		What was the subject of your dissertation?
196	. 1	The role of the American labor movement in European
197	politi	cs.

	HIR253000 UNCLASSIFIED PAGE 9
AME:	HIR253000 UNULAGOIIILU PAGE 9
198	. 2 Have you served as a consultant to the Mational
199	Security Council?
200	. A I have.
201	. Q Since when have you served as consultant?
202	. A 1982 to 1987.
203	. 2 You are no longer a consultant?
204	. A That is correct.
205	. Q When did you cease being a consultant?
206	. A I think in July 1987.
207	. Q Do you know the reason why you were originally
208	offered a position as a consultant to the MSC?
209	. MR. SILBERT: Do you know the reason?
210	. THE WITNESS: I think so.
211	. BY MR. FRYMAN:
212	. Q What do you believe to be the reason?
213	. A I think the reason was because of my study of
214	United States intelligence and its requirements for the
215	future.
216	. 2 Who told you that was the reason?
217	. A I said I thought that was the reason, but I don't
218	recall a specific reason being given. But the person who
219	asked me to serve as consultant and who asked Judge Clark to
220	interview me was Kenneth DeGraffen Zeid, who worked in
221	intelligence, who served in the Internal Directorate, and
222	was subsequently Direct, of Intelligence Programs at MSC.

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223 . Q Is it your understanding that Mr. DeGraffen Weid

224 was the person who initiated the discussions about your

225 becoming a consultant?

226 . A Yes.

227 . Q Do you know if William Casey had any role in your

228 being appointed as consultant in the NSC?

NAME:	HIR253000 NIACCEED PAGE 11
229	DCMN GLASSNAP
230	
231	. A I don't know.
232	. Q Do you have any information that indicates whether
233	he had such a role?
234	. А Хо.
235	. Q Now did you know Mr. De Graffenreid?
236	. A In the late 1970s, when I began the academic study
237	of intelligence, as a faculty member, I got to meet many of
238	the staffers on the House and Senate Select Committees. Mr.
239	De Graffenreid was one.
240	. Q You kept in touch with him?
241	. A I saw him and others with some frequency.
242	. Q Who do you understand made the decision to retain
243	you as a consultant in the Mational Security Council, if you
244	know?
245	. A No, I don't know.
246	. Q You don't know?
247	. а хо.
248	. Q Did you talk with Judge Clark about becoming a
249	consultant?
250	. A Yes, I did.
251	. 2 At that time, was he the Mational Security Adviser?
252	A Well, he was the National Security Adviser. My
253	understanding further is that the National Security Adviser

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AME:	HIR2530	UNCLASSIFIED PAGE 12
254	nakes	decisions about this matter, and I assumed Judge Clark
255	had ma	de that decision.
256	Ω	And your initial work as a consultant was in 1982?
257	Is tha	t correct?
258	. а	It began in 1982.
259	. 9	And continued off and on for a five-year period.
260	. а	Correct.
261	. 2	I take it this was not a full-time position.
262	. а	Not by any means.
263	. 9	Now were you compensated?
264	. а	For specific hours worked.
265	. 2	So you would make a monthly
266	. а	Yes, sir.
267	. 2	Periodic report of the hours that you had devoted
268	to suc	h work.
269	. а	Exactly.
270	. Ω	You were paid on an hourly rate.
271	. а	Daily rate.
272	. 2	Per diem rate. If you worked two hours in one day,
273	were y	ou paid for the full day?
274	. а	No, no. I assume it is sort of the way lawyers
275	bill.	If they work two hours on one day, they billed for
276	just t	hose two hours.
277	. 2	When you say you were paid on a daily rate, I am

VAME.	HIR253000 UNCLASSIFIED PAGE 13
279	2 323,64
280	a contract on that basis, and then it said you would be paid
281	for working for a day, then I would submit the number of
282	hours until it made up one day.
283	. 2 I see. What was your daily rate?
284	. A I think it began at \$175, it went up to \$200, orI
285	can't remember exactlybut approximately.
286	. Q Mr. Godson, in the five years that you served as a
287	consultant, did the number of hours you devoted to this work
288	vary substantially between years, or was it reasonably
289	steady?
290	. A I would have to review the period. It is five
291	years, and I can't remember exactly.
292	. 2 Realizing you don't have your records here, I am
293	just trying to get some sense of the amount of time that you
294	devoted. Let's take the years 1985 and 1986. How many
295	hours would you estimate that you devoted in the entire year
296	of 1985 to this work?
297	. MR. SILBERT: Just don't guess. If you have a
298	reasonable estimate and can answer his question, do not
299	guess.
300	. MR. FRYMAN: That is correct. I am notI am asking
301	for a reasonable estimate based on your recollection.
302	. THE WITHESS: By my standards, not very many.
303	. BY MR. FRYMAN:
	.

NAME: HIR253000 Was it under 1,000 hours? I would have to work it out in days. 306 hours is five days, eight into 1,000? 307 Well, assuming--Q 308 125. No, then it would be 12 months. It would be 309 less. 310 Would you estimate it was under 500 hours? It is sort of--my best recollection would be in the 312 estimate of a couple of days a month. 313 So, approximately 20 to 25 days a year. I am trying to be helpful here, but I think it 315 would be approximately that, but I don't remember. 316 Hould the time in 1986 be approximately the same as 1985? 317 318 The summit years were particularly heavy years for me, the summit meetings were matters I work on, and so I 319 guess it was fall of '84-'85, I don't--I don't recall exactly 320 when the summits were at this moment. 321 To whom did you report at the National Security 322 Council? 323 324 A Well, it is a -- it is not easy--there is no simple answer. First the National Security Advisers change. I 326 felt my ultimate responsibility was to the Mational Security Advisar, but I specifically went over my hours and projects 327 and tasking with Mr. De Graffenreid and then subsequently

UNCLASSIFIED NAME: HIR253000 329 with Walter Raymond. Now what do you recall was Mr. De Graffenreid's 331 He was either Director or Senior Director of 332 333 Intelligence Programs. What do you recall was Mr. Raymond's exact position 334 or title? 335 337 Was he also involved in intelligence matters while 338 at the National Security Council? MR. SILBERT: That is a very broad subject. 340 don't know that has to do with the scope of this inquiry, Counsel, if you could narrow it. 342 BY MR. FRYMAN: 343 Do you understand the question, Mr. Godson? The way Counsel phrased it, I would like to 345 proceed. My pending question was, do you understand my 346 question? 348 Well, the definition of intalligence matters is a 349 subject of great academic and political controversy.

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would want to be precise. I would like to define

You said that Mr. De Graffenreid was involved with

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intelligence matters.

intelligence programs.

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NAME:	HIR253000 UNCLASSIFIED PAGE 16
354	A That was his title.
355	. Q Do you know what intelligence programs are?
356	. A I think I do, but it is a matter of great
357	controversy. The definition of intelligence is a matter of
358	great controversy.
359	. 9 What is your definition of intelligence programs?
360	. A I would have to take some time to write it out. I
361	have a whole page definition which I discussed with my
362	class, and I spend hours on this very question.
363	MR. SILBERT: Frankly, I don't propose to have him
364	do that here today.
365	MR. FRYMAN: Off the record.
366	. [Discussion off the record.]
367	. MR. FRYMAN: Back on the record.
368	. MR. SILBERT: While we are on the record, I think
369	it would be helpful if we got to the areas that fall within
370	the scope of the committee's mandate.
371	. MR. FRYMAN: Well, that is what we are doing, Mr.
372	Silbert.
373	. BY MR. FRYMAN:
. 374	. Q Mr. Godson, as a MSC consultant, you worked with
l l	Mr. De Graffenreid, you have testified, and you worked from
376	time to time with Walt Raymond, is that correct?
377	. A Correct.

In connection with your MSC MORK, did you meet UNCLASSIFIED

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ME:	HIR253000 UNULASSIFIED PAGE 17
379	Oliver North?
380	. A Yes.
381	. 2 Had you known Colonel North before you became a MSC
382	consultant?
383	. A No.
384	. 2 Now did you meet Colonel North?
385	. A I can't remember the exact circumstances, but I met
386	most of the staff at various points over a five-year period.
387	. Q Did any of your work as a MSC consultant involve
388	Colonel Morth?
389	. A I am taking a moment to try to recall five years.
390	. [Pause.]
391	. THE WITNESS: I think the answer is no, I don't
392	recail any work that I did with the MSC with Colonel North.
393	. BY MR. FRYMAX:
394	. 2 What was the nature of your contact with him at
395	MSC, was it just participating in large meetings with him,
396	or did you have a social contact with him, or was there some
397	other sort of contact?
398	. A I attended staff meetings with him, large staff
399	meetings. Descripant of my responsibilities was involved
400	in discussing intelligence collection with members of the
401	staff, not specifically with him necessarily I was given
402	possibility where I would come into contact with himthe
403	staff prepared memoranda 🗪 about its views about what

405	States, so I visited with many staff members to discuss
406	that. I had little social contact with him.
407	. 9 What did you understand during the years that you
408	Knew him as an MSC employees, what did you understand to be
409	his particular areas of responsibility?
410	. A I think it would be not appropriate in this session
411	to discuss this.
412	2 Why do you think it would not be appropriate?
413	. [Conferring with Counsel.]
414	MR. SILBERT: Mr. Godson believes some of the areas
415	are classified, he never discussed them with me.
416	. MR. FRYMAN: Are you familiar with Colonel North's
417	public testimony before the committee, Mr. Godson?
418	. A Some parts of it.
419	. Q Did you watch any of the testimony?
420	. A I was on jury duty during this time, and so I was
421	able to watch only segments of it.
422	2 Did you read any newspaper accounts of the
423	testimony?
424	λ Yes.
425	. 2 Are you aware of areas of responsibility that
426	Colonel North had at the National Security Council that were
427	not publicly disclosed, to your knowledge, from your viewing
428	television?

NAME: HIR253000 UNCLASSIFIED 4291 I don't know what he acknowledged or what the 430 committee agreed was within the scope of public hearings on 431 that subject. . Q I don't think that responsive to my question, Mr. 432 433 Godson. Let me just try it again. Are you aware of areas 434 of responsibility of Colonel North and the Mational Security 435 Council that, to your knowledge, from watching television or 436 reading newspaper reports, have not been publicly disclosed 437 in the committee hearings? 438 [Conferring with Counsel.] THE WITNESS: How could I answer that without 439 440 knowing all that was disclosed? MR. SILBERT: I still have a problem, you want him 442 to try and recall what he either saw snippets while on jury duty over the TV, portions he may have read in newspapers, 443 and from that determine whether or not there are other areas 445 that he was aware of that Colonel North was involved in, is that the question? 446 BY MR. FRYMAN: 448 2 Do you understand my question, Mr. Godson? 449 A I am not sure I do. 2 Would the reporter read my question back? [The question was read by the reporter.] 451 452 THE WITNESS: I don't recall what he said he was 453 responsible for.

UNCLASSIFIED NAME: HIR253000 4541 455 Q Were you aware that he had responsibilities with 456 respect to Central America? 457 A I was aware that he had some responsibilities with 458 respect to Central America. 459 So the answer to the question is yes? MR. SILBERT: I will tell him not to answer that 460 461 question. He answered the questions to the best of his 462 ability. You asked him if he had responsibilities, he said he had some responsibilities. 463 464 MR. FRYMAN: I take it to be a yes answer. 465 MR. SILBERT: It is not a yes answer. 466 is words he gave, it is not yes or no. It is a yes answer, 467 I was aware he had some responsibilities, that is a fair and 468 responsive answer to the question. BY MR. FRYMAN: 469 470 Did you have discussions with Colonel North about his responsibilities in the area of Central America. 471 472 [Conferring with Counsel.] 473 THE WITNESS: Would you repeat the question please? MR. FRYMAN: Read the question. 474 475 [The question was read by the reporter.] THE WITNESS: I had a few conversations with him 476 about the situation in Central America. Not about his 477

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478 responsibilities.

NCLASSIFIED 479 BY MR. FRYMAN: Did any of your work as an MSC consultant involve 480 481 Central America? 482 Not in the specific sense, but as I explained, for 483 example, we are concerned with global intelligence 485 But not Central America as an area in and of 486 itself. 487 Correct. 488 Is that correct? 489 Correct. 490 Do you know Robert Earl? 491 I don't think so. 492 Q Do you know Robert Owen? 493 I don't think so. The reason I said, if I may say 494 why, I don't think so, because I have heard those names in 495 the newspapers, I don't think I know those individuals. 496 Did you know any of the individuals -- let me rephrase 497 that--did you know any of the assistants to Colonel North? 498 There are 50 to 100 people wandering around in the 499 MSC floor, over the period of years I met so many people I 500 can't be sure who I met.

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I can't state with assurance that I have never met

502

503

them.

Let me try this again. Did you know anyone at the 2 505 MSC who you knew was an assistant to Colonel North? Other than possibly just saying hello at a meeting, 506 who I didn't know who it was, exactly what his 507 508 responsibilities were, no. 509 Did you know Fawn Hall? Yes, sir. 511 Did you understand she was Colonel North's 512 secretary? Yes, I did. 514 Did you have any association with her in a 515 professional capacity? And by that I am trying to distinguish merely a social contact and speaking to her in 517 the hall, and in your work as MSC consultant, did you have any dealings with Fawn Hall? 518 No, other than when she was in a room with other secretaries, I would sometimes be in that room. Their 520 521 office complexes changed over a pariod of time, but I had no 522 major dealings with her other than when I was having a 523 discussion with Colonel North. 524 Have you raad the Tower Commission report? 525 I have read and studied parts of it, yes.

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which was printed in the Tower Commission report.

MR. FRYMAN: I ask the reporter to mark as Godson

Deposition Exhibit 2 for Identification a handwritten chart

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NAME: HIR253000 529 [The Following Document was marked as Godson Exhibit No. 2 for Identification.] 530 531 BY MR. FRYMAN: Mr. Godson, I show you Godson Deposition Exhibit 2 for tdentification. When you looked at the Tower Commission 533 report, did you examine that chart? 535 A I looked at it. 2 Did you look at the entities identified in the 536 boxes in the chart? 537 538 I looked at some. 539 Q Did you recognize the names of any of those 540 entities? A Well, you are asking me what I did at that time or 542 the very first time. 543 At the time, the first time you saw the chart, did 544 you recognize the names of any of those entities? 545 I recognized very few. I was concerned about one 546 because there was, I thought, some potential for confusion 547 which in my view would be a totally inaccurate, false 548 inference that I was connected with one particular box. 549 Which box was that? 550 Something that appears to say Intl Youth, then I think it is y-o-u-t-h. Then I think it says Comm. 551 When you saw that, you were concerned that that 553 might be interpreted to relate to an organization with which

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you had been associated?

555 That is right, false inference would be drawn

especially as a number of individuals had been seeking to 556

spread some malicious stories about me prior to this.

558 What was the organization with which you had been

559 associated?

Well--

561 [Conferring with counsel.]

562 MR. SILBERT: You have to be more precise.

MR. FRYMAX: Mr. Silbert, I find it hard to

564 understand your reason for objecting to that question.

565 Godson said in his prior answer that he was concerned that

this reference might be misinterpreted to apply to some

567 entity with which he had been associated, and I am just

asking him to what he was referring. 568

THE WITNESS: To the fact that I had been involved

570 in youth politics and educational activities for a number of

571 It wasn't any specific entity.

572 BY MR. FRYMAN:

And when you read this chart, you were concerned 573

that the box that said Intl Youth Comm would be interpreted 574

to apply to your general activities over the years with 575

youth activities. 576

578

577 Correct, as it was, as it was misinterpreted.

As a matter of fact, you had had a much closer

UNCLASSIFIED NAME: HIR253000 PAGE 25 association with an entity that had a name very similar to 580 or that had had the phrase '!International Youth' in it, 581 did it not? 582 A Over the years I have had associations with many 583 organizations that have a combination of the word ''international youth' 585 What about in 1984 and 1985? 586 Well--587 [Conferring with Counsel.] MR. SILBERT: We are going to decline to answer 588 589 those questions until you proffer some relevance to this 590 particular organization. We are not going to go into Mr. 591 Godson's activities in the youth area. We are not prepared 592 for it. That was not one of the areas that was specified, 593 and I am letting him answer that specific question about the 594 chart. But unless it is tied down to an area within the 595 596 areas we are prepared to deal with today, we will not respond today. I haven't discussed it with him, haven't 597 598 prepared him for it, and besides I don't think it is 599 I don't mind any questioning that asks whather 6001 his activities with the youth had anything to do with the 601 Micaraqua/Tran matter in the funding for Iran, arms sales, diversion of profits to Iran, covert, to Micaragua, or 602 anything about this particular box got on this chart. Ke 603

UNCLASSIFIED NAME: HIR253000 can answer that question, even though we are not prepared for that, that will do so. He can clear it. If you ask of 605 him how the box got there, what it is doing, he will answer 606 607 the question. MR. FRYMAN: Let's take this in steps, Mr. Silbert. 608 609 One, your statement that you are unprepared for 610 questions about this, I think, should be placed in the 611 context of prior discussions that you and I have had about the International Youth Commission or related names, and 612 specifically there is a letter from you to me, dated May 12, 614 1987, which notes our interest in reviewing all documents 615 relating to the International Youth Commission, the issuance 616 of a separate subpoena for such documents, a separate 617 subpoena was issued, investigators from the committee have reviewed various such documents at our office, you and I 618 619 have had a variety of discussions about the subject of the 620 International Youth Year and the International Youth Commission -- so I find it hard to believe that this is a 621 622 subject that comes as a surprise to either you or your client. 623 624 But be that as it may--MR. SILBERT: I want to respond to that before you 625 626 ask the question. I am going to respond. I will let you 627 complete what you have to say.

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MR. FRYMAN: Well, go ahead and respond, and then I

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629 will ask the question.

630 . MR. SILBERT: Fine. I am not suggesting that we

631 have not been aware, in fact I don't dispute any of the

632 facts you mentioned other than the fact that I am concerned

about responding to questions under oath today, the fact I

634 have not gone over this subject with Mr. Godson, in

635 preparation for today's testimony, which is a deposition

636 under oath.

637 . Having documents subpoenaed, having an investigator

638 come to our office to review certain records, you and I

639 having discussions about subject of International Youth is a

640 far cry and totally different from adequately preparing a

641 witness to testify under oath in a matter that can be of

642 considerable importance.

643 . That is what has not been done, and that is why I

644 object. As I said, in addition to that, notwithstanding

645 that, I will not object to certain questions that tie right

646 into, for example, that chart. Does he know anything about

647 that? Let's get on with matters that are pertinent to this

648 witness' knowledge as it affects the committee's inquiry.

649 . Whether it is expressed by Congressman Hamilton in

650 his letter to his constituents, which I think accurately

651 summarizes it, or the somewhat ambiguous language in House

652 Resolution Number 12--

653 . MR. FRYMAN: I ask the reporter to mark as Godson

UNCLAS NAME: HIR253000 PAGE 28 Deposition Exhibit 3 for Identification a Patter from Daniel 654 Cohen to the Honorable Michael Armacost, on the letterhead 655 656 of the International Youth Year Commission. The letter 657 indicates a copy was sent to Roy Godson from Floyd Brown. [The Following Document was marked as Godson 658 659 Exhibit No. 3 for Identification. 1 BY MR. FRYMAN: 660 Mr. Godson, would you look at Deposition Exhibit 3 661 for Identification and tell me if you have seen that 663 document before? 664 [Pause.] MR. SILBERT: I am going to object to that question 665 666 on two grounds. One, it is beyond the scope for which we are prepared to answer today. The matter, to my knowledge, 668 wasn't covered in the wide ranging, informal interview of 669 Mr. Godson where he was not under oath and where he tried to 670 be as cooperative as possible and where he voluntarily 671 appeared for extensive questioning. Secondly, number one, we are not prepared and, 672 673 therefore, we will not proceed on that independent basis; 674 number two, having read the letter, rather curiously, I 675 can't see the remotest relationship to House Resolution 676 Number 12, not in the slightest. It is a political matter 677 that has nothing to do, as far as I can tell, with the

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mandate of this committee and is an inappropriate subject of

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679	inquiry. Will have the constitution, constitutes
680	gross invasion of Mr. Godson's political and First Amendment
681	rights.
682	MR. FRYMAN: Would you read back the pending
683	question, please.
684	. [The question was read by the reporter.]
685	BY MR. FRYMAN:
686	. 9 Would you answer the question, Mr. Godson?
687	. [Conferring with counsel.]
688	. THE WITNESS: Yes.
689	BY MR. FRYMAN:
690	. Q And is it correct that a copy of that document was
691	sent to you, as indicated on the second page?
692	. MR. SILBERT: That is beyond the scope. He doesn't
693	know whether it was sent to him or who made it. He will not
694	answer that question for the reasons previously stated.
695	. BY MR. FRYMAM:
696	. 9 When did you first see that document, Mr. Godson?
697	. HR. SILBERT: Do not answer that question, please.
698	Same basis for the objection. Same objections.
699	. BY MR. FRYMAM:
700	. Q Mr. Godson, you tastified that you have seen that
7.0 1	document before, and you will notice the letterhead on top
702	of that document is ''International Youth Year Commission.''
703	Does that refresh your recollection as to when you saw the

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chart which is Deposition Exhibit 2 that you are concerned about the box that has the phrase ''Intl Youth Comm, was a concern about your association with some specific entity and 706 707 not your association with general youth groups over the 708 years? MR. SILBERT: I don't know whether to permit him to 709 710 answer the question, Mr. Fryman. We have indicated we will try to respond to what he knows about that box on Godson Exhibit Number 2, as reprinted in the Tower Report, but that 713 question was so complex and convoluted I am afraid I didn't 714 understand it, and it had words like 'associate', which 715 can mean almost anything and is too vague and ambiguous for a witness to be able to answer a question of that nature. MR. FRYMAN: Off the record. 718 [Discussion off the record.]

NAME: HIR253000 PAGE 31 719| RPTS CANTOR UNCLASSIFIED 720 DCMM MILTON 721 722 MR. FRYMAM: Back on the record. 723 MR. SILBERT: I would like the record to reflect 724 725 that for approximately five or ten minutes there has been an 726 exchange primarily between Mr. Fryman and Mr. Godson, with some comments by myself and Mr. Godson's counsel relating to 727 728 the scope of the inquiry and specific questions that Mr. 729 Fryman claimed he had, to which Mr. Godson made a number of 730 specific response, all dealing with respect to the general 731 area of youth, or International Youth Commission. 732 BY MR. FRYMAN: 733 Mr. Godson, you were aware, were you not, that 1985 had been designated as the International Youth Year? 734 735 736 And in connection with the International Youth 737 Year, there was a conference being held in Jamaica in 1985. 738 You are aware of that, are you not? 739 Right. 740 And in connection with the International Youth 741 Year, there were various organizations that had been formed, 742 one of which was called the International Youth Year

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743 Commission. Are you aware of that?

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744 . A Correct.

745 . Q And you had certain responsibilities and

746 involvement in connection with the International Youth Year,

747 and in particular the conference in Jamaica in 1985, had you

748 not?

749 . A I had various responsibilities.

750 . THE WITHESS: We will step outside.

751 . [Witness and counsel confer.]

752 . MR. SILBERT: Back on the record.

753 . Thank you for the opportunity to consult with Mr.

754 Godson, Mr. Fryman. One of the reasons we had to do that is

755 that we are into areas for which I have not prepared the

756 witness for today. He will respond to that question, as I

757 said before, but I'm not sure it was on the record as part

758 of our colloquy. If you ask him what if anything he knows

759 about that box on Deposition Exhibit No. 2, if he has any

760 information, knows anything about how it got there, he will

761 answer that, be as cooperative with the committee on matters

762 within its scope, and the answer will be definitely no.

763 . MR. FRYMAK: Mr. Silbert, one, I will ask the

764 questions today the way I want to ask them.

765 . Secondly, I think maybe we should clarify one

766 matter for the record. The fact that you may or may not

767 have prepared your witness for certain areas today is

768 disturbing, but nevertheless this deposition has been

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769| scheduled for at least two weeks. You have been aware 770 without any ambiguity of a wide variety of areas of interest 771 that this committee had in questioning Mr. Godson, including specifically the area of the International Youth Year and 773 the conference in Jamaica. It was an area that we spent a 77 ul great deal of time discussing in our interview several 775 months ago, and the fact that you and Mr. Godson have not 776 discussed that in the last day or so, according to your statement, so far as I'm concerned does not place any limit 777 778 on the committee inquiring into this area today. 779 So far as the letter that you sent to me two days 780 ago, as I stated at the beginning today, I don't accept your 781 characterizations in that letter. You were informed 782 yesterday before the close of business that I didn't accept 783 those characterizations, and it is not up to you to impose any artificial limits on the areas of inquiry of this 784 785 committee. MR. SILBERT: I think you must stay within mandates 786 787İ of the committee and I can't for the life of me, and I will listen to a proffer before I make a final decision, see what 788 789 the International Youth Year has to do with the mandate of 790l this committee. We, as my letter stated, answered and 791 responded to every single question asked at the informal interview of Mr. Godson, even though, as I said to you in my letter, I believe then and I believe now they were far 793l

beyond the mandates of this committee, and with respect to this deposition, as I advised you well before, that I would not allow, I would certainly object to any inquiry that is 796 797 not relevant to the stated purposes or legitimate purposes of this committee. As far as I know at the present time, 798 799 the Jamaican conference has zero to do with certainly 800 Chairman Kamilton's description of what this committee was investigating, and also somewhat more ambiguous language of 802 Kouse Resolution No. 12. MR. FRYMAN: I take it, Mr. Silbert, that you are 803 familiar and have looked at Godson Deposition Exhibit 2 for 804 805 identification, which shows a box with the name ''International Youth Commission'' and arrows directed to am 806 account called IC, and Stather arrows directed to an account 807 called Lake, which I believe you should be aware there is 808 809 testimony before this committee that Lake is a Swiss account 810 that was used in connection with arms sales to Iran, and financing of the resistance in Nicaragua. 811 MR. SILBERT: You may see on your chart a copy of 812 813 an arrow from International Youth Commission down to IC. I 814 certainly don't see it. 815 MR. FRYMAN: Then I will let the document speak for 816 itself.

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again if he knows of any connection between Youth Com. and

MR. SILBERT: To clarify, if you want to ask him

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819 IC 8-A, ask him. He will answer the question.

MR. FRYMAN: AS I say, Mr. Silbert, I'm asking the 821 questions today, not you. That will be one of the questions 822 I ask, but I'm not limiting my questions to your suggestions today. If we have to get to the point today of making a record of questions and process directing the witness not to 824 answer in order to present to the Chairman of the committee, in order to obtain a direction of the witness to answer and 827 to make any record that we need for contempt proceedings, we 828 will do that.

As I indicated to you before the deposition, I hoped we would not have to go that route, but if that is the procedure you and Mr. Godson want to follow, we will take that route.

MR. SILBERT: No one wants to follow a procedure 833 like that. On the other hand, I do expect committee counsel 835 to ask questions in a reasonably professional way, to get to 836 the heart of the inquiry, rather than beating around the 837 bush and asking irrelevant questions that don't go to the 838 issues before it.

With all due respect, Mr. Fryman, I don't think you are intending to do that. I certainly respect your attempt 840 to fulfill the committee's responsibilities, but I'm here 842 protecting the person's right to respond to germane inquiry.

843 I'm not about to tell you what specific questions to ask.

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845 even though we may have to interrupt because we were not prepared on certain areas, if they appear to be germane to 846 847 the committee's inquiry. We are taking a lot of time to get 848 to the heart of some matters, and if he is not telling you 849 the truth, then you can prosecute him for perjury, but ask 850 him the questions however you want to phrase it, whatever order\$ you want, about what he knows about this chart or any 852 relationship between those entities, and he will answer it. That is what we are here to do. 853 854 MR. McGOUGH: I just want the record to reflect on behalf of the Senate committee our position on the matter. 855 856 We have not issued a subpoena to Mr. Godson for 857 this deposition. We are here in the hopes we can obviate the need for a separate Senate deposition. I don't find the 858 859

I'm suggesting to you that we will respond to any question,

objections particularly well-founded, and believe that these inquiries are relevant not only to the House inquiry but also to the Senate inquiry. 861 862

Again, I'm not deferring to Mr. Fryman on the conduct of the deposition, but I certainly find questions about entities that may be related to the box on the commission chart to be well within the scope of the Senate's inquiry, and if need be, would consider issuing a separate subpoena in order to get the answers that I think may be necessary. I hope we don't come to that. I hope we can

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jointly work out the appropriate agreement that may allow 870 both committees to get the information that is needed. MR. BUCK: On behalf of the House Minority, I would 871 like to state our position. That is that Mr. Godson's past 872 873 dealings with any youth organizations are only relevant 874 insofar as they have to do with our investigations, and if 875 Mr. Godson will state for the record what he knows about this box and any other boxes on this chart, or what he knows 876 about Oliver North, Colonel North's activities, I think that 877 878 should be sufficient. 879 Furthermore, although I didn't see all of Colonel 221 Morth's testimony, and Colonel Morth testified for over 30 881 hours, I did not see Calonel Morth, did not hear Colonel 882 North testify on this subject that he was the author of the document that has been marked as Exhibit 2. 883 If he wasn't asked to testify on it, I have trouble 884 885 seeing why Mr. Godson is being asked these questions. MR. FRYMAN: Off the record. 886 887 [Discussion off the record.] 888 MR. FRYMAN: Back on the record. 889 BY MR. FRYMAN: Mr. Godson, I will come back later to some further 890 questions on the subject of the International Youth Year, 891 but with respect to this chart, I have just a few additional 893 questions at the moment.

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894	. Prior to seeing this chart in the Tower Commission
895	Report, had you ever seen it before that time?
896	. A No.
897	. Q Had you ever discussed with Colonel Morth your wor
898	in connection with the International Youth Year?
899	. A I have no recollection whatsoever to having
900	discussed this with
901	. 2 Have you ever discussed the conference in Jamaica
902	in 1985 with Colonel North?
903	. A I have no recollection of ever having a direct
904	conversation with Colonel North about the conference in
905	Jamaica or the International Youth activities at that time.
906	. Q You used the words ''a direct conversation.'' Are
907	you trying to distinguish that from an indirect
908	conversation?
909	. A I can't swear that I might not have been discussing
910	with other people, he may have entered the room, it may have
911	come up in other fora, but I did not have any direct
912	conversations with him about this subject.
913	. Q Was your work on the Jamaica conference in the
914	International Youth Year a subject you discussed in the
915	offices of the National Security Council?
916	. A Yes.
917	. 2 And it is possible Colonel North attended or

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919	. A I have no recollection of him ever attending any of
920	the meetings.
921	. Q Who do you recall discussing these matters with in
922	the National Security Council offices?
923	. A A number of staffers that were involved in that
924	might have had tangential relationship, such as the people
925	0.
926	. Q Would that be Mr. Bur hardt?
927	. A He was one. There were several.
928	. MR. FRYMAX: Would you read back the last answer,
929	please.
930	. [The reporter read the record as requested.]
931	. BY MR. FRYMAM:
932	. Q Did you discuss the International Youth Year or the
933	conference with Walt Raymond?
934	. A Yes.
935	. Q Did you discuss the International Youth Year or the
936	conference with Mr. DeGraffenreid?
937	. A I'm not sura.
938	. Q Did you ever review with Colonel North any
939	organization chart involving activities of his?
940	. А Жо.
941	. Q And when you testified that you had not seen Godson
942	Exhibit 2 for identification prior to your review of the
943	Tower Commission Report, by that answer do you mean that you

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944	had also	not seen any chart that was a prior draft of this
945	chart or	appear to be substantially similar to this chart?
946	. а	The answer is I had never seen this chart or a
947	previous	chart before. You said review of the Tower
948	Commissio	on. I think the Tower Commission the first time I
949	saw this	was the newspaper printed chart of the Tower
950	Commissio	on. It was the newspaper of that day. I just
951	wanted to	clarify it.
952	. 2	But the source was the Tower Commission Report?
953	. а	Correct, the newspaper. I have never seen this
954	chart or	any chart nor discussed the chart ever with Colonel
955	North.	
956		MR. FRYMAN: Off the record.
957		[Discussion off the record.]
958		MR. FRYMAK: Back on the record.
959		BY MR. FRYMAN:
960	. 2	Mr. Godson, are you employed also by the Mational
961	Strategy	Information Center?
962	. а	I'm a part-time employee.
963	. 2	What is your position?
964		I'm the director of the Washington office.
965	. 2	And that is a part-time position?
966	. а	That is a part-time position.
967	. 2	How large is the Washington office?
968	. А	Could you be more precise?

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969	. 2	How many employees?
970		MR. SILBERT: You want to know how many square
971	feet?	
972		THE WITNESS: I don't know precisely. There are
973	various	arrangements with research staff, research fellows
974	who come	and do projects there. Approximately 10.
975		BY MR. FRYMAM:
976	. 2	Would that be approximately 10 full-time employees?
977	. А	In any particular year?
978	. 2	Yes.
979	. A ;	It would vary between 5 and 10.
980	. 2	Does the NSIC also have offices in New York?
981	. А	Its main office is in New York City.
982	. 9	And is it only the two offices, New York and
983	Washingto	on?
984	. Х	Those are the only two offices. It has
985	reprasen	tatives or consultants in other cities.
986	. 2	Is the number of employees in New York larger than
987	the number	er in Washington?
988	. а	I don't know the answer to that. It may change
989	over the	years. You will have to specify which year and I
990	would ha	ve to check.
991	. 2	Say in 1986
992	. а	I just don't know.
993		Do you consider the New York office the

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994 headquarters office?

- 995 . A Yes.
- 996 . Q Your title is director of the Washington office.

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- 997 To whom do you report in the MSIC?
- 998 . A To the president and the vice president.
- 999 . 2 Who is the president?
- 1000 . A Frank Barnett.
- 1001 . 2 What is the governing structure of the
- 1002 organization, and by that I mean, is there a board of
- 1003 directors?
- 1004 . A Yes.
- 1005 . Q That Mr. Barnett reports to and ultimately you
- 1006 report to?
- 1007 . A Yes, I think so.
- 1008 . Q And is there a chairman of the board?
- 1009 . A I don't know.
- 1010 . 2 You don't know who the chairman is?
- 1011 . A No.
- 1012 . Q Do you meet with the board of directors
- 1013 periodically?
- 1014 . A Yes.
- 1015 . Q What are your responsibilities as director of the
- 1016 Washington office, briefly?
- 1017 . A To provide general guidance to the full-time staff,
- 1018 who also report to the president and the vice president in

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1019	New York, and to engage in research which is supported by
1020	the National Strategy Information Center, and publications,
1021	and I guess also to provide publicto be available to the
1022	public, to the press, to provide information about my
1023	specialties of the National Strategy Information Center.
1024	. 2 Would you say that the primary function of the
1025	National Strategy Information Center is an educational
1026	function?
1027	. A Yes, I would.
1028	. Q And that involves various research projects and
1029	publications, various materials?
1030	. A Organizing conferences and seminars.
1031	. 2 And do the subject matters of the activities center
1032	on foreign policy matters?
1033	. A Exclusively.
1034	. 9 When did you first become associated with the MSIC?
1035	. A 1965 as a graduate student.
1036	. Q That is when you were at Columbia?
1037	. A Correct.
1038	. 2 Do you know when the MSIC was founded?
1039	. A 1962.
1040	. Q At the time you first became associated with the
1041	organization, do you know if William Casey had any
1042	affiliation with the organization?
1043	A I believe he was a director at that time.

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1044	2 Did you know Mr. Casey at that time?
1045	. A Are you asking did I know him when I went before?
1046	Q Did you know him in 1965?
1047	A I don't believe I did.
1048	. Q When did you first meet Mr. Casey?
1049	. A I can't remember exactly which year, but he stopped
1050	being the director of MSIC when he joined the Mixon
1051	administration, which was the election of 1968.
1052	. Q Did he ever resume as a director?
1053	. а жо.
1054	. Q Had you met Mr. Casey by 1968?
1055	. A If I had, it would have just been to say hello. I
1056	can't say I didn't, but I don't recall ever having any major
1057	conversations with him.
1058	. Q Is it your understanding that Mr. Casey was one of
1059	the individuals who were instrumental in founding the MSIC?
1060	. A Could you define ''founding'' for me? I don't mean
1061	to be difficult, because he was a lawyer, and I think he
1062	provided legal services for the National Strategy
1063	Information Center. He was one of the lawyers, if not the
1064	lawyer. I just don't know enough to ensuer the question
1065	specifically.
1066	. Q So your answer suggests that you really had no clear
1067	understanding about his role in the origin of the
1068	organization, is that correct?

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1069	. A Correct, but I have heard it repeatedly stated tha
1070	Frank Barnett and Maury Liebman, a lawyer in Chicago, were
1071	the two principals who founded MSIC.
1072	Is Mr. Liebman with the firm of Sidney and Austin?
1073	. A I think so.
1074	. \mathbf{Q}_{i} And it's your understanding that Mr. Casey had no
1075	official association with the MSIC after 1968?
1076	. A No official responsibilities, that's correct.
1077	. 2 As an officer?
1078	. A Correct.
1079	. Q Or as a director?
1080	. A Correct.
1081	. 2 Af the time you became a consultant to the Mational
1082	Security Council in 1982, what was the nature of your
1083	association with Mr. Casey, if any? Had you had a
1084	professional association with him in your position as the
1085	Washington director of the MSIC, for example?
1086	. MR. SILBERT: I don't know what that means.
1087	. MR. FRYMAN: Let me withdraw the question and I
1088	will rephrase it.
1089	. BY MR. FRYMAN:
1090	. 9 Did you ever have any discussions with Mr. Casey
1091	about your becoming a consultant to the National Security
1092	Council?
1093	. й хо.

UNCLASSIFIFN Are you aware whether or not he had any role in 1095 your becoming a consultant? 1096 I'm not aware that he had any role. In 1982, the year that you became a consultant to 1097 0 the MSC, do you recall if you had had any dealings with Mr. 1098 Casey in that year? 1099 MR. SILBERT: Can you be a little more helpful on 1100 the word ''dealings''? I don't know what that means. Did 1101 he see him on the street? 1102 BY MR. FRYMAN: 1103 To the best of your recollection, in 1982 do you 1105 recall any conversation that you had with Mr. Casey? No, I don't recall. 1106 1107 Do you recall participating in any meetings with Mr. Casey? 1108 My responsibilities pertained to intelligence 1109 I was also a consultant to the President's Foreign 1111 Intelligence Advisory Board and still am. I can't say I 1112 I mean, I can't say whether I saw Mr. Casey at all 1113 in 1982. It would just be impossible. Did you have meetings with Mr. Casey after you 1114 0 became a consultant to the National Security Council? If you mean meetings alone -- is that what you mean? 1116 1 Yes, let's say individual meetings. 1117 Q A In connection with classified work I do--classified 1118

UNCLASSIFIED NAME: HIR253000 work unrelated to the subjects of this investigation, I had 1120 some meetings with him. 1121 You had some individual meetings? 1122 A. Meetings, yes, a few. 1123 When was the last time you saw Mr. Casey? 1124 Other than sort of passing him in the corridor, 1125 right? 1126 5 Yes. 1127 Or seeing him in the men's or something like that. Maybe a couple of years before his death. 1129 Q Did you call Mr. Casey by his first name? 1130 A It would depend on the circumstance. 1131 But there were occasions when you were on a first-1132 name basis with Mr. Casey? 1133 A Oh, yes. Did you ever participate in any meetings with Mr. 1134 1135 Casey and Colonel North, just the three of you? 1136 Xo. 1137l Q Mr. Godson, you are also a teacher, are you not? 1138 A Correct. 1139 Q Where do you teach? 1140l À. Georgetown University. 1141 2 What is your title?

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I'm an associate professor of government.

How long have you been at Georgetown?

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NAME: HIR253000 1144 Since the late A Did you go to Georgetown after getting your Ph.D. 1145 1146 from Columbia, immediately after? I was at Georgetown when I got my Ph.D. 1147 1148 0 You were a teaching fellow? 1149 A Yes, sir. No, I was just teaching. 1150l [Discussion off the record.] 1151 MR. FRYMAM: Back on the record. 1152 BY MR. FRYMAN: Ω Your field, you have indicated, Mr. Godson, is 1153 1154 government and international relations; is that correct? 1155 Correct. 1156 2 and you have had an area of concentration for some time with respect to intelligence matters? 1157 1158 Intelligence studies. 1159 0 And is that a subject of courses that you teach at 1160 Georgetown? 1161 A Correct. 1162 0 And have you also published books and articles in 1163 that subject area? 1164 ı Yes. In connection with your work teaching at the MSIC 1165 Q 1166 and also your work from 1982 to 1987 at the National Security Council, did you maintain more than one office or 1167 did you just have an office at the university? 1168

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1169 . A My main office is at the university, but of course
1170 the National Strategy Information Center has offices so I

1172 . 2 And did you have a third office at the Mational

1173 Security Council?

1171 have a desk there.

1174 . A No, I didn't.

1175 . 2 So in this period of time you had basically an

1176 office at Georgetown and an office at the MSIC?

1177 . A To say that I had an office, MSIC has an office. I

1179 . 2 Did you have a private office at the MSIC?

1180 . A The offices are used interchangeably by the people

1181 Who are visiting and so on, so it depends on your definition

1182 of having an office.

1183 . 2 Do you have a secretary?

. A There is a secretary for the office, and she

1185 serves, she also takes care of my office needs.

1186 . Q That is at the MSIC?

1187 . A But she takes care of a number. We don't have the

1188 luxury of one secretary for one person.

1189 . Q And do you also have a secretary at Georgetown?

. A There are secretaries in the department for all.

1191 In other words, the same arrangement, secretary servicing

1192 several different people.

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1193 . Q What sort of records do you maintain of meetings

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1194	that you hav	e and also telephone con-	versations? For
1195	example, at	the MSIC, does the secre	tary maintain a record
1196	of phone com	versations that you place	e or that are incoming
1197	calls to you	, if you know?	
1198	. A I d	on't think she maintains	a record of calls. I'm
1199	sure she doe	sn't. Sometimes I place	my own calls.
1200	Sometimes sh	e places calls. Sometime	es other secretaries.
1201	There isn't.	one secretary that would	be doing that.
1202	. Q Do	you maintain yourself a	record of your phone
1203	calls?		
1204	. а но.		
1205	. Q Do	you maintain a record of	your meetings?
1206	. А Ко	a preciseI mean for a	while. I have a diary
1207	for the year	which has some of my me	etings. There is no
1208	single sourc	e for all of my meatings	. I don't maintain
1209	such.		
1210	. Q Wha	at sort of calendar do yo	u maintain?
1211	. A I	earry a small notebook, a	n annual thing which I
1212	generally ju	ink.	
1213	. 2 And	l you note your appointme	nts?
1214	. A Son	me of them, not all.	
1215	. Q You	ı have a desk calendar as	well?
1216	. A Ko	•	
1217	. 2 Wha	at was the other calendar	you were referring to,
3			

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1219	. А	I didn't refer to a second	calendar.
1220	. 2	So the only calendar you m	aintain is the pocket
1221	calendar	that you carry with you?	
1222	A	Correct.	
1223	. 2	Do you keep those calendar	s after the end of the
1224	year?		
1225	. A	I generally throw them awa	y. I keep them for a
1226	while for	tax purposes and that sor	t of thing and get rid of
1227	them.		
1228	. 9	Do you have the calendar f	or 1986?
1229	. A !!	No.	
1230	. 2	1985?	
1231	. A '	You asked me 1986. No, ga	merally those calendars I
1232	have jumi	ted.	
1233	. 2	Just so the record is clea	r, Mr. Godson, the 1986
1234	calendar	that you maintained that r	eflected your
1235	appointme	ents, you have destroyed th	at calendar?
1236	. А	Right.	
1237	. 2	When did you destroy that?	•
1238		It was some months ago.	
1239	. 2	And do you still have the	pocket calendar for 1985?
1240	. 1	No. I generally use them	for the first few months
i		max to sort of recollect for	
1242	purposes	, if I took a trip where I	went that particular day,

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1243 and then I generally have no reason to keep that kind of

UNCLASSIFIED PAGE NAME: HIR253000 1244 thing. 1245 . 2 Do you have any record at this time of your 1246 appointments in 1985 and 1986? 1247 For me personally? 1248 Or are you aware of any record? 1249 I don't have it. There would be vague diary--I 1250 mean, of projects in the office that might contain some 1251 appointments. Usually it would be ineccurate because nobody 1252 knows all of my appointments. As I say, I'm wandering 1253 between offices. These ere diaries maintained at the MSIC? 1254 1255 Correct. Who maintains the diaries you are referring to? 1256 1257 A The secretary in the office there. 1258 Q What is the name of the secretary? 1259 1 Jill Fall. And did she maintain those diaries during 1985 and 1260 ٥ 1986? 1261 Yes. 1262 A And so far as you are aware, those are the only 1.263 0 1264 records that are in existence today of any meetings that you 1265 had in 1985 and 1986? 1266 Yes, that's right.

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today of any phone calls that you made in 1985 and 1986?

1267

1268

are you aware of any records that are in existence

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1269	A	No.
1270	. 2	Do you know Elliott Abrams?
1271	. A	Yes
1272	2	When did you first meet Mr. Abrams?
1273	. A	Oh, boy. I think when he was an aide to Senator
1274	Jackson	of Washington.
1275		Did you have any contact with Mr. Abrams in
1276	connection	on with your work as a consultant to the Mational
1277	Security	Council?
1278		I don't think so.
1279	. 9	Did you ever participate in any meeting with Mr.
1280	Abrams ar	nd Colonel North?
1281	X	No.
1282	. 2	Did Colonel North ever ask you to become involved
1283	in any fo	und-raising activities?
1284		He asked if I could assist in raising funds
1285		
1286	. Ω	When did he ask you to do that?
1287		I can't recall the exact month. I can barely
1288	remember	the year.
1289	. 9	What was the year?
1290	. Х	I think it's 1985.
1291	. 2	How did the subject come up?
1292	. i	As I recall, I was working one day in the
1293	intallig	ence directorate, the Office of the Intelligence

1294 Directorate of the MSC, and he and an MSC staffer who also worked in that directorate asked me if I would be able to 1296 give assistance. 1297 Who was the other person? 1298 A Vincent Cannistraro. What was his position at the MSC? 1299 A He was I think also a director of intelligence 1300 programs. I think by that time DeGraffenreid was the senior 1301 1302 director and he was a director. 1303 And you worked with Mr. Cannistraro in your 1304 consulting activities? 1305 Yes. 1306 Af the time Mr. Morth made this request, where did 1307 the meeting take place? As I stated, I can't recall whether it was in his 1308 1309 office, North's office, but my recollection is it was in Mr. 1310 Cannistraro's office. 1311 Were you called into the office with the two of 1312 them being there? 1313 A I can't remember exactly, but my recollection is I 1314 was working actually in the complex of offices of the 1375 Intelligence Directorate and Cannistraro and North asked to 13:6 talk with ma. 1317 They asked you to come into some office and meet

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1318 with them?

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name :	HIR253000 PAGE 55
1319	. A Yes, a bunch of offices there. I might have been
1320	sitting there working on something. I just don't recall the
1321	specific time.
1322	2 Do you recall if it was Cannistraro who asked you
1323	to meet with them or North?
1324	A I can't.
1325	. Q One of the two, and there was a meeting with just
1326	the three of you?
1327	. A North clearly was asking me to do this. It was
1328	clearly North was asking. I can't recall the specifics of
1329	who asked who to sit in what room.
1330	. 2 What did you understand was the reason for
1331	Cannistraro being present?
1332	. A I didn't have any. I don't know.
1333	. 2 But most of the talking was by North?
1334	. A Yes.
1335	. 2 What did he say as best you recall?
1336	. A He said thatI was generally familiar with
1337	anyway. He just said, ''You are familiar with
1338	'' and would I be able to be of some
1339	assistance, and that for various reasons the government was
1340	unable to be of assistance.
1341	. Q Did he indicate why he was asking you to?
1342	. д Хо.
1343	O Do you have any information that indicates why he

Do you have any information that indicates why he

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1344 was asking you?

1345 . A No.

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1346	APTS THOMAS IINO ACCIDATE
1347	DCHX GLASSKAP UNCLASSIBLE
1348	[11:30 a.m.]
1349	
1350	. BY MR. FRYMAX:
1351	. 9 Did you ask any questions?
1352	. A I guess I would have asked how much money he was
1353	talking about. I know for what period of time. The normal
1354	questions one would ask, if somebody was asked to assist
1355	somebody. That is about all.
1356	. 9 How much money did he say was involved?
1357	. A I can't recall precisely, but I think it was in the
1358	range of #20,000 a month.
1359	. 9 For what period of time?
1360	. A Ne didn't specify. Ne said he couldn't, there was
1361	no way of spacifying.
1362	. 2 Did he indicate what the money was going to be used
1363	for?
1364	. A Not really, no.
1365	
1366	so
1367	I didn't find it a remarkable thing.
1368	. 9 Did you tell him in this first meeting that you
1369	would help?
1370	. A No, I didn't.
	* * * * * * * * * * * * * * * * * * *

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1371	9 What did you say?
1372	A I would say I would have to think about it and see
1373	whather I could, I would be able to be of assistance. I am
1374	not wealthy myself, so I would have to see whether I would
1375	find some people who would be willing to contribute to
1376	whatever, what I thought was a worthy cause.
1377	. 2 Did you talk with anyone else about whether you
1378	should get involved in this?
1379	. A No, I don't think I did.
1380	. 9 How long did it take you to decide whether or not
1381	you should get involved?
1382	. A Well, there were two issues: one, whether I
1383	should, and in terms of whether I ought to, and a second
1384	one, whether I could practically be of any assistance. I
1385	thought it was helping
1386	worthy cause, so I decided quickly in principle that this
1387	was a good idea. The ''could'' part took me some time to
1388	talk to people.
1389	. 9
1390	. A Is that relevant? Is that a
1391	relevant question?
1392	. MR. SILBERT: I would like to know what the
1393	relevance of that is, as a matter of fact. What does

have to do with this proceeding?

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1896)	had been made before the question was answered, I would have
1397	been happy to explain it. I will explain it now. Mr.
1336	Godson indicate it was a worthy cause that he wanted to
1599	help, and the committee is entitled to know whether, in
1 400	fact,
1401	raising money. It seems fairly straightforward, I didn't
1948	pursue it, what
1403	Her which you are raising money?
THOM	. MR. SILBERT: All right. I think you ought to
1405	apologize for the question.
1906	. MR. MC GOUGH: I don't think the question was
1997	inappropriate. The next question could have been and was
1400	not wiked, when a person raises money
1999	200
1410	I don't think it is any inquiry Litte
1411	and I would not
1412	think any apologies are necessary.
14 8	. BY MR. FRYMAN:
1414	. g Mr. Godson, you divide your decision into two
1415	aspacts?
1410	. A Well, in technically
1417	. 9 How long did it take you to reach a decision with
1416	respect to both aspects? Are we talking about a period of
141	less than a week?
1920	. A No, longer, it took longer.



UNCLASSIFIED NAME: HIR253000 1422 Did you consult with anyone else in making this 1423 1424 decision, or did--the two aspects of this decision--No, I immediately, after I decided to do this, I 1426 set out, not that very minute, I set out to ask someone who 1427 I thought would be sympathetic, might be sympathetic to 1428 supporting 2 You mean to assist you in fund raising. 1429 1430 λ That is correct. Before we get to that, I am focusing at the moment 1431 1432 on you personally making the decision whether or not to get 1433 involved. Is that a decision you made by yourself, or did 1434 you consult with anyone else in making that decision? 1435 I don't recall discussions with anyone else. I regarded it as a sensitive matter, and I did not with to 1436 indicate to other people that I was involved in assisting 1437 1438 The proceeds of the decision as to whether or not 1439 1440 you should be involved at all took more than a week is your 1441 recollection? Not whether I should be involved, not the formative 1442 1443 question, but whether I could empirically do anything. 1444 Let me phrase it and ask it another way.

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1445

When and what was the next discussion you had with

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	OHACUMAN ITD
1446	Colonel North in response to his original request?
1447	A After I had ascertained that it might be possible
1448	that I found someone who might be willing to help who had
1449	the potential to talk to people, who would support
1450	I called him or saw him when I was at MSC, or some
1451	other time I brought it to his attention orally.
1452	. 2 So that the ''could'' part of the decision-making
1453	process, in your mind, involved finding out whether there
1454	was someone else who could assist you in the fund \oint raising?
1455	. A Correct.
1456	. 2 And did you only discuss that aspect with one other
1457	person?
1458	. A Before I went back to North?
1459	2 Sefore you went back to North.
1460	. A Yes.
1461	. Q Who was that person?
1462	A Terry Slease.
1463	. 2 How had you known Mr. Slease?
1464	. A Mr. Slease had been a lawyer for Richard Scaper and
1465	Richard Manufer had been a donor to the Mational Strategy
1466	Information Center. I had also gotten to know Mr. Slease as
1467	a personal friend; and in his capacity as a personal friend,
1468	I went to him.
1469	. 9 You described to him what Colonel North had said to
1470	you?

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1471	. х	A version of it to see if he was at all interested.
1473	. 2	Ne indicated he was?
147		Yes.
1474	. 2	And at that point, you went back to Colonal North?
1475	. λ	That is correct.
1475	. 9	You mentioned in one of your answers.
1427	Had Colo	nel North referred to
1476	discussi	on with him?
1479	. A	I can't remember whether he did.
1480		and so I don't know whether he
1481	referred	or I was aware of the role
1402		
1992	. 2	Was it your understanding that you were to raise
1000	funds th	at were to be placed at the disposal of
19.65		
1486	. λ	No, no, ed But he is talking about
1487		
1488	. 2	Had Colonel North indicated any particular part of
1489		that was to receive this money?
1490	. A	Ko.
1491	. 2	He had indicated it was to be for food and similar
1992	purposes	7
1993	. λ	Welfare activities, yes.
1959		
1495	-	
-		
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1496		
1497		
1498		
1499	. 2 How long after your initial conversation with	
1500	Colonel North was your call to Mr. Slease?	
1501	. A I can't remember.	
1502	. Q More than a week?	
1503	. A Obviously it wasn't months, but I don't remember	٤.
1504	. 9 Was this a face-to-face conversation with Mr.	
1505	Slease?	
1506	. A I am almost certain it would have been, yes. $\overline{\mathbb{D}}$	
1507	2 Was this in sittsburgh?	
1508	. A Ko, I suspect it was in Washington. I rarely $\tilde{\mathbb{D}}$	
1509	travel to sittsburgh, and so I think I have been in	
1510	pittsburgh only once in five years.	
1511	. 2 In any case, you believe it was a face-to-face	
1512	conversation with Mr. Slease?	
1513	. A Yes.	
1514	. 2 Just the two of you?	
1515	. A Yes.	
1516	. 2 He indicated he would help or would try to help	?
1517	. A He was interested in principle, but he wished t	•
1518	hear it fromthis was something that was important for	the
1519	national interest.	
1520	. Q Did you indicate a desire to obtain funds from b	Mr.

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1521	Square or one of his foundations?
1522	. A No. Now are you asking me did I at that very
1523	moment?
1524	. 2 Yes.
1525	
1526	discussing we were not going to ask Mr. Scarle or any of the
1527	foundation for the funds.
1528	••
1529	. A I can't recall whether it was in the first or
1530	subsequent conversation, but I suspect it was in the first.
	. 2 What was the reason for that?
1532	. A Well, Mr. had been very generous in
1533	supporting a number of organizations, particularly the
1534	National Strategy Information Center, and we thought that w
1535	should ask other people for contributions.
1536	. Q In the initial discussion with Mr. Slease, was
1537	there any comment about who else might be solicited?
1538	. A No, not to my recollection.
1539	. Q After your conversation with Mr. Slease, then you
1540	go back to Colonel Morth, and you report back you have four
1541	someone who may help in the fund raising.
1542	. A Correct.
1543	. 9 Bid you also report back to Mr. Cannistraro?
1544	. A I can't recall. No, I don't think so.
1545	. 9 To the best of your recollaction, it was, the

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second conversation was just you and Colonel Morth?
. A Yes.
. 2 And
. A Mr. Cannistraro wasn't there. You were asking
whether I ever told him I had subsequently found somebody
that might be interested. I can't remember that, but I know
that second conversation, my best recollection, it was with
North alone.
. Q Did you tell him that Mr. Slease wanted to meet
with Colonel Morth?
. A Mr. Slease asked to meet not only with Colonel
North but he didn't know who Colonel North was indon't
think he had ever heard the name, he wanted to have it from
a more senior person in the National Security Council, and
so I suggested if Colonel North wanted to proceed, he had to
ask for a meeting with Mr. McFarlane for Mr. Slease to hear
from Mr. McFarlane this was an important thing to do.
. Q At that time, what was Mr. McFarlane's position?
. A He was the Assistant to the President for Mational
Security.
. Q This is Robert McFarlane we are talking about?
. A Yes.
. 9 Had you worked directly with Mr. McFarlane in your
role as a consultant to the MSC?
. A Worked directly? Could you be more precise?

1571 õ In your work as a consultant, did you have 1572 individual meetings with Mr. McFarlane? Rarely. 1574 ວ່ Did you prepare memoranda for Mr. McFarlane? 1575 Yes, either directly or through Mr. De 1576 Graffenreid's office or some other member of the staff. 1577 Had you known Mr. McFarlane before you became a consultant to the MSC? 1579 I don't think so. 1580 Had Mr. McFarlane had any association with the MSIC that you are aware of? I think he knew Mr. Barnett. He worked for Senator 1582 1583 Tower, I think, as a staffer on the Armed Services Committee, I think he may have known Mr. Barnett. I don't think I knew him at that time. 1585 1586 Do you know if Mr. McFarlane at that time had any 1587 association with Georgetown? Not to my knowledge. 1588 1589 You were not aware of such an association? 1590 Right. So your only association with Mr. McFarlane had 1591 1592 been through your work at MSC.

1593 . A He had been an assistant to William Clark, and so I

1594 got to know him in that capacity.

1595

. Q You suggested to Colonel North that Mr. Slease

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1596 might be able to help, but there would have to be a meeting

1597 with Mr. McFarlane or someone of his stature.

1598 . A Right

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1599	DCMM GLA	SSNAP
1600		
1601	. 2	What was Colonel North's response?
1602	A.	He said he would try to arrange such a meeting and
1603	subseque	ntly did.
1604	. 2	Ne got back to you and said McFarlane is available
1605	. а	Tried to figure out even dates when Mr. Slease was
1606	in Washi	ngton, yes.
1607	. Q	And did you set up such a meeting?
1608	. А	There was such a meeting. A combination of all of
1609	us setti:	ag it up.
1610	. 2	Did you make the call to Mr. Slease?
1611	. A	Yes.
1612	. 9	The call to Hr. McFarlane?
1613	. а	No, I didn't make the call to McFarlane.
1614	. 2	The call to Colonel North?
1615	. а	Yes, sir.
1616	. 2	and you sort of worked out the various schedules?
1617	. а	Yes.
1618	. 2	So everyone could get together for a meeting?
1619	. а	Exactly.
1620	. 2	Did you attend that meeting?
1621	. 1	I did.
1622	. 2	Who else attended?
1623	. A ;	North, McFarlane, Slease and myself.

nane :	HIR253000	UNCLASSIFIED PAGE 6,
1624	. 2	And was that held in the National Security Council?
1625	. а	In the Situation Room.
1626	2	In the Situation Room?
1627	À	Yes, sir.
1628	. 9	Do you recall the date of this meeting?
1629		Жо.
1630	. Θ	How long did it last?
1631		Not very long.
1632	. 2	Under 15 minutes?
1633		Around that time.
1634	. 9	What do you recall was said in that meeting?
1635	. A	The necessity for supporting
1636	2	
1637	. 2	Who said what?
1638		Mr. McFarlane said that. Mr. McFarlane did most of
1639	the talk	ing.
1640	. 2	and how did he explain the necessity of supporting
1641		
1642	. A	I am not even sure I was paying that much attention
1643	to that.	It was a meeting that was designed for Mr. Slease
1644	to hear	this, and I don'tbut talk about
1645	explaine	that, within the bounds now of our unclassified
1646	discussi	on, that it was funds for
1647		
1648		
9		

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1549	(8.10-10.01.04.0
1650	
1651	. Mr. Slease asked if he was, if he were in fact able
1682	to find somebody who could do this, how would this be done?
1653	And he was told that Colonel North knew how it could be
1694	done, he would instruct me as to how the money could
1656	physically be transferred if such money were to become
1656	available.
1687	. Q Was there any discussion at this meeting of the
1688	mechanics of transferring the money?
1669	. A No, there was not.
1000	. 2 It was left that Colonel North could provide that
1661	information
1668	. A Yes, sir.
1661	. 9later on?
1650	. A That is right.
1655	. Q What else was said at that meeting?
1655	. A That is all I recall.
1557	. 9 What did Colonel North say?
1668	. A I can't recall him saying very much.
1669	. Q It was basically a presentation by Mr. McFarlane?
18.70	. A Yes, as I recall. He may have interjected pieces
1671	ofas I said, I didn'tI wasn't there to be briefed, so I
1572	wasn't paying that much attention.
1473	. Q I take it there weren't any slides shown at this

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1674	meeting? UNULINUULI ILD
1675	. A No, there were no slides.
1676	. Q What did Mr. Slease say?
1677	. A As I said, he listened, he asked some questions,
1678	but then it was left he would think about whether he could
1679	in fact do this, and he would get back to me, and then if
1680	there was in fact somebody who was available to contribute,
1681	then I would get in touch with Colonel North.
1682	. Q And what is the next discussion you recall with Mr
1683	Slease after this meeting about this matter?
1684	. A We parted company, and we agreed he would be back
1685	in touch with me if he was able to be of assistance.
1686	. Q Did he get back in touch with you?
1687	. A Yes, sir, and he said he had thought he had one or
1688	two potential donors, and how would one physically do this?
1689	. Q Did he identify the donors?
1690	. A I can't remember. It wasn't important to me in
1691	that sense, because we agreed it wasn't going to be Mr.
1692	taile, and I knew he had many contacts in his personal life
1693	with people who were wealthy and believed in worthy causes.
1694	. Q Did he identify the amount?
1695	. A No, it wasn't, he knew we were talking here about
1696	above \$20,000. He knew it was about \$20,000 a year we
1697	needed, obviously to me I didn't have to ask him.
1698	MR. SILBERT: You mean \$20,000 a year?



NAME: HIR253000 THE WITNESS: A month. 16991 1700 BY MR. FRYMAN: Had that \$20,000 a month amount been discussed 1701 again in the meeting with Mr. McFarlane? 1702 I don't recall it necessarily coming up there, but 1703 1704 I had informed him it was around that range; we weren't 1705 talking about \$100 and not \$1 million. . 2 He got back to you and indicated he might have a 1706 1707 contributor or contributors, but as far as you recall, he 1708 didn't identify the contributors? 1709 Correct. 1710 And he asked you for information about the 1711 mechanics of transferring the money? 1712 . A Yes. 1713 2 What did you do then? 1714 A I went back to North and asked him how one would do 1715 it. 1716 What did North say? 1717 He told me that there was a man who was able to do 1718 this, he was discreet and reliable, and I should call him, 1719 that he, North, would tell him to expect a call from me, a 1720 man who I didn't know before. So he would say I was going to call, and I did. 1721 1722 What was the man's name?

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A Richard Miller.

1723

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1724	. Q	He gave you a phone number of Mr. Miller?
1725	. а	Exactly.
1726	. Q	So you called Mr. Miller either the same day or
1727	shortly,	or a day or so later?
1728		Yes.
1729	. Q	And said, in substance, Colonel North asked me to
1730	call?	
1731	. A	Correct.
1732	. 2	I am calling about
1733		Wouldn't have said, would not have said over the
1734	telephone	what the subject was, but I said had he heard that
1735	I was go	ing to call you, and, yes, he agreed to get
1736	together	
1737	. 2	And where did you meet with Mr. Miller?
1738		My recollection is that we metto find a suitable
1739	time, my	recollection is we met in his office of National
1740	Strategy	Center and had a sandwich, that is my recollection.
1741	. 2	This was the first time you had ever seen Richard
1742	Miller?	
1743		Correct.
1744	. 9	What did he tell you at this first meeting?
1745	. 1	Well, we discussed the only purpose of, the main
1746	purpose (of the meeting was to discuss the specifics of how
1747	one would	d transfer the funds.
1748	. 2	Did you discuss the need of

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749 for these funds?

1750 . A No. I don't recall, it would have been

1751 unnecessary.

1752 . Q Was the discussion limited to the mechanics of the

1753 transfer?

1754 . A Yes, on that subject. We might have then later -- we

1755 did later discuss other matters@ Mr. Miller, I was

1756 interested in what he did for a living. He told me he had

1757 some contacts with Micaraguan defectors, and I, as an

1758 academic, spent a lot of time with defectors as a way of

1759 understanding intelligence matters. There was a Micaraguan

intelligence officer who had defected apparently he had

1761 access to, so we discussed my desire to meet him.

. Q Did he tell you that he had been involved in fund-

1763 raising campaigns?

1764 . A No, he didn't, that wasn't my interest. I don't 1765 focus on American politics, it wasn't my interest.

766 . Q It wasn't disoussed?

1767 . A Not to my recollection.

768 . 9 Did he mention Carl Channell?

769 . A He did indicate to me that he had been involved in

the Republican campaign he told me that he went through

1771 some of his background. But we didn't discuss the specifics

1772 of the domestic political arena. He mentioned that there

773 was a Mr. Channell who would be a possible avenue for

UNCLASSIFIED NAME: HIR253000 1774 funneling the money 1775 Did he volunteer that? 1776 I can't remember. I said I preferred to deal--he 1777 was right there, I knew him--he gave me the two options of, talked about the -- talked about the Institute for North/South 1778 1779 Affairs, which seemed like a very responsible organization. 1780 Q Is that the Institute for North/South Issues? 1781 A Could be, North/South/North. 1782 Q Kad you known of that organization before? 1783 I had only -- I had some recollection that it had 1784 received money from the National Endowment for Democracy, that it was run by himself, he said, and former Deputy 1785 1786 Assistant Secretary of State, Frank Gomez, and it was 1787 involved in various educational activities in the region; 1788 therefore was a tax-exempt organization and a number of 1789 Congressmen and Senators sit on the board of the National Endowment for Democracy. I assumed it was responsible 1790 1791 organization, it was responsible and could handle such a 1792 thing. 1793 He also indicated for someone who didn't want to do 1794 it, tax contributions to a tax-exempt organization, there 1795 was a bank account that he maintained, I think, in the

Cayman Islands and that he could give that number to anybody

1797 who wanted to make a contribution to that who did not want

to, did not regard it a tax-deductible activity.



1796

1798

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1799	
1800	aware of the Institute for North/South Issues.
1801	. A I can't remember, there are many organizations in
1802	Washington, and I can't recall whether I was aware of it. I
1803	certainly didn't know very much about it.
1804	. Q Kad you known Frank Gomez?
1805	. А но.
1806	. Q Had you known of him?
1807	. A I mean, the name wasn't unfamiliar to me, but I
1808	wouldn't have, didn't know him in any specific way.
1809	. 2 As I understand your answer, Mr. Godson, in this
1810	initial conversation with Mr. Miller, he discussed at least
1811	three alternative ways for transferring the funds: One
1812	would be a contribution to an organization controlled by Mr.
1813	Channell.
1814	. A Yes.
1815	. Q Two would be a contribution for the Institute for
1816	North/South Issues; and as I understand from your answer,
1817	both of those would be a tax-deductible contribution.
1818	. A I can't remember if the Channelldiscussion about
1819	Channell was, he was right there, he had the vehicles, why
1820	
1821	the numbers of people?
1822	. O Well, go back to my summary, the third alternative

was a direct transfer to the Cayman Island account--

	HIR253000 UNCLASSIFIED PAGE 77
NAME:	HIR253000 UITULNUUIIILU PAGE 77
1824	. A Yes, sir.
1825	. Qthat Mr. Miller controlled.
1826	. A Yes, sir.
1827	. Q Were there any alternative ways of transferring the
1828	fund discussed other than those three: The Channel
1829	organization, the Institute for North/South Issues, and the
1830	direct deposit to the Cayman Island account?
1831	. A I can't recall any others.
1832	. Q Was there any discussion of the Heritage Foundation
1833	in this initial discussion
1834	. А но.
1835	. Qwith Mr. Miller?
1836	. А Мо.
1837	. Q After this discussion with Mr. Miller, did you then
1838	report back to Mr. Slease?
1839	. A Then, preport back, I then informed him that I
1840	found a vehicle, a way of doing this.
1841	. Q Did you explain the three alternatives to Mr.
1842	Slease?
1843	. λ но.
1844	. 2 Which did you explain to him?
1845	. A Only told him we had the tax-exempt Institute, and
1846	there was a non-tax-exempt way of doing it too. I didn't
1847	give him, didn't discuss the other thing.
1848	. Q Was there a specific contributor and a specific

UNCLASSIFIED NAME: HIR253000 were being discussed by you and Mr. Slease at amount that 1850 this point? Collapsing a lot of months together here, so I 1851 don't quite know at what point he told me that he had a 1853 specific contributor. I can't recall exactly which 1854 conversation lead to which. 1855 At one point, it became specific, and he said he 1856 had a specific contributor who wanted to make a contribution, he wanted to make it to an institution that he 1857 knew by name, and that led to the discussion of the Heritage 1859 Foundation. 1860 Was that contributor ever identified to you? 1861 I don't recall at the time that he was. 1862 Subsequently he was. 1863 Did Mr. Slease develop contributions from two separate contributors? Presumably, he was involved with several. 1865 I don't I don't know exactly how he went about making these 1867 solicitations, I was never involved. Do you recognize the name Herbert Barness? 1868 1869 1870 Are you aware that Mr. Barness made a contribution? Q 1871 I don't recall the name. I don't recall the name. Are you aware of any contributions that Mr. Slease 1873 solicited that were deposited directly to the Cayman Island

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1874	account: UNULASSIFIED
1875	. A No, I gave him the Cayman's account number, Mr.
1876	Miller gave me the number, I gave it to Mr. Slease, and I
1877	don't know what happened after that.
1878	. 2 You gave him the name of the account?
1879	. A I think it is a number. I don't recall. I think
1880	it was a number. I was completely unfamiliar with how to
1881	deal with these accounts, and so I just gave him whatever
1882	information Miller gave me, the initial or the number,
1883	whatever it was. I gave it to Mr. Slease.
1884	. ${f Q}$ And did you instruct Mr. Slease that he was to send
1885	any contribution payable to such an account directly to Mr.
1886	Miller, or did you instruct him to send it to you or
1887	scmething else?
1888	. A I didn't instruct him to send it to me. I don't
1889	remember howI don't remember how that part of the mechanics
1890	worked.
1891	. Q Did you give Mr. Slease Mr. Miller's name or
1892	telephone number or address?
1893	. A No, I didn't give him that information. I don't
1894	recall ever giving him that.
1895	. 2 But you believe you gave him either the name of the
1896	Cayman we account or the number?
1897	. A I know I did that, partially because I know I went
1898	to another phone in casethere was no reason at thisso I

UNCLASSIFIED NAME: HIR253000 1899 told him I would call him at another time and give him a 1900 number and name and the number, that is it, of the account 1901 unrelated to that phone conversation. 1902 You gave him the name of the Institute for North/South Issues? 1903 And I gave him the name of the Institute for 1904 1905 North/South Issues. 1906 It is your recollection you did not mention Mr. Channell or any of his organization? 1907 Δ Correct. 1908 1909 The reason you did not was what? 1910 Well, there was no need. In other words, in my own 1911 mind, it was their Institute, North/South seemed like a responsible operation to me, and there was another account 1913 which I thought relatively few people would be interested in 1914 using, the Cayman Island account, but I gave him what was 1915 necessary rather than expand on it. 1916 Had you known of Mr. Channell at the time of this 1917 discussion? 1918 Vaguely, but--vaguely. 1919 2 You never met him? 1920 λ Not to my knowledge. 1921 It is your recollection that Mr. Slease did not transmit to you any funds to be given to Mr. Miller? 1922 A That he physically gave me:

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1924	. 2	He didn't send you a check?
1925	. A	Correct.
1926	٠ و	Or anything to transfer to Mr. Miller?
1927	A	That is correct.
1928	. 9	You indicated that you received another call from
1929	Mr. Sleas	se where he indicated that he had a contributor wh
1930	wanted to	give money to a more-established foundation, is
1931	that you	r recollection?
1932	. A	Foundation that he was familiar with, yes.
1933	. 2	Did he identify a particular foundation?
1934	. A	I think he said Meritage, but I can't recall the
1935	specifics	s, whether it was Slease suggested it to the
1936	contribu	tor or the contributor to Slease, but I don't
1937	recall.	
1938	. 2	But in this conversation that you recall with ${\tt Mr.}$
1939	Slease#	there was a mention of a Heritage Foundation.
1940	. A	Yes.
1941	. 2	And am I correct in understanding that you are no
1942	the one	sho suggested the Heritage Foundation?
1943	. A	I think that is correct. I think it was Mr.
1944	Slease,	but I don't recall.
1945	. 2	So it may have been you.
1946	. A	It could have been.

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		UNULTOON ILD PAGE 82
1949	. д	Association? A quick definition, please. I am not
1950	a member	of it, I don't get money from it, I don't work for
1951	it, I am	not associated with it in any formal way. Have I
1952	attended	a seminar, yes, yes, I have known Mr. Feulner for
1953	many year	s, yes.
1954	. 2	By Mr. Foulner, you are referring to Ed Feulner in
1955	his title	a as President?
1956	. A .	I am not sure either.
1957	. 2	He, in effect, is the person who runs the Heritage
1958	Foundation	on on a day-to-day basis?
1959	. A	That is my understanding.
1960	. 9	You have known him for a number of years?
1961	. A	Correct.
1962	. 2	Had you ever received any grants from the Heritage
1963	Foundatio	on?
1964	. а	personally?
1965	. 2	Yes.
1966	. A	No.
1967	. 2	Let's start personally.
1968	. а	Personally, no.
1969	. 9	Had MSIC?
1970	. а	Not to my knowledge.
1971	. 2	Had any other foundation with which you are
		••

I don't know.

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1974	0.10
1975	in any way with solicitation of donations for the Heritage
1976	Foundation?
1977	. A No.
1978	. 2 What was the discussion with Mr. Slease about using
1979	the Meritage Foundation for this contribution that he had in
1980	mind?
1981	. A Wasn't much. It was that Meritage, that donor
1982	manage and the state of the sta
1983	the Heritage Foundation and that Heritage Foundation, in
1984	turn, could then give it to the Institute for North/South
1985	Issues, that was all.
1986	. 2 Was it left that you would contact Mr. Feulner
1987	about this?
1988	. A No, that he first would contact Mr. Feulner.
1989	. 2 Mr. Slease would?
1990	. A Yes, sir, and then I would follow up.
1991	. 2 Did you know whether or not Mr. Slease knew Mr.
1992	Feulner?
1993	. A I assumed he did. It never entered into my mind
1994	that he didn't.
1995	. 2 Now, you say you were to follow up. What did you
1996	understand that to mean?
1997	. A I was to call Mr. Feulmer to discuss the specifics.
1000	O Ware you to surlain to Wr Faulner shout the

2021

2023

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1999	conversations with Mr. McFarlane and Colonel North?
2000	. A Not those specifically, but the principle that the
2001	Government of the United States thought this was a good
2002	idea, because we were, they were acting consistent with what
2003	the Government of the United States would want to have
2004	happen.
2005	. 2 Did you have a subsequent conversation with Mr.
2006	Feulner?
2007	. À Yes.
2008	. 2 What did you tell him in that conversation?
2009	. A Just what I said that it was, Mr. Slease had
2010	already talked to him, so Mr. Feulner was about to leave for
2011	a long time, he didn't have much time, it was the end of the
2012	day, it was very short, relatively a very short meeting, he
2013	knew who the recipients, intended recipients of the fund
2014	were, he knew that it would be transferred to another, the
2015	idea was to transfer to another foundation, and he just
2016	asked me to give him the name of the foundation, to either
2017	give it to him, the addrass right to him, or to speak to Mr.

Mr. Trulock is with the Heritage Foundation?

contact with the Institute.

2018 Trulock, who was I think whatever the parson who deals with 2019 these--Executive Vice President, or something else, there was 2020 another, Mr. Trulock was the person who was to handle the

Yes, he is either Executive Vice President, some

NAME: HIR253000 PAGE 2024 Officer of the Heritage Foundation. 2025 When you say you explained the purpose of the contributions, do you mean that you explained that these 2026 funds were to be transferred 2028 2029 Absolutely. Q 2030 And that transfer was to be done through an 2031 indirect route? By that, I mean it was to be a transfer 2032 from the Meritage Foundation to the Institute for North/South Issues, and then the Institute would arrange for 2033 2034 the transfer 2035 Correct. You explained all this to Mr. Feulner? 2036 Correct. And further that this was a confidential 2037 2038 transaction, that knowledge about this was to be limited. And did you explain that this had been discussed at 2039 high levels within the Mational Security Council? 2040 2041 I don't recall any discussion like that, just the other, because I assumed Mr. Slease had already prepared Mr. 2042 2043 Faulner for this. What did Mr. Feulner indicate that he had learned 2045 from Mr. Slease? 2046 I don't know.

2047

2048

۰

A

You don't recall?

I don't recall.

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2049 Q Do you recall mentioning Mr. McFarlane's name or 2050 Colonel North's name in the conversation?

2051 A I don't.

2052 . 2 Now is it your understanding that a contribution

2053 was made to the Heritage Foundation that was then

2054 transferred to the Institute for North/South Issues?

2055 . A Yes.

2056 . 2 Now did you learn that?

2057 . A I don't remember the precise circumstances how I

learned it, but at some point I gave Trulock the name of

2059 Miller, I spoke to Miller and suggested that he write,

2060 request a grant from the Heritage Foundation, and so it just

2061 happened, I assumed it happened, at that point. I was not a

2 party to Miller's drafting of a request, I just suggested he

2063 would write a request to the Foundation to ask for it.

064 . Q Do you know if this raquest discussed

2065

2068

2066 . A No, I don't know what was in it, the terms of the 2067 request.

. Q Did you ever see the request?

2069 . A I certainly didn't at that time, can't remember
2070 whether I subsequently have seen something. I think that
2071 the committee released to the press, or as an exhibit,

2072 something about the exchange of correspondence yes, I am

2073 pretty sure this committee released to the newspapers when

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NAME: HIR253000 PAGE 87 2074 Congressman Fascell asked questions about this subject. 2075 That same day I got a call from -- I was on jury duty, there 2076 were calls from the press, and I think I saw a copy of an 2077 exchange of correspondence between Miller and Heritage, 2078 which I had not seen before. 2079 You had not been aware of that before? 2080 I had been aware there must have been some kind of 2081 exchange. 2082 Q You hadn't been aware of the substance of the 2083 exchange? 2084 That is right. 2085 Were you aware of the identity of the donor to the Q 2086 Heritage Foundation? 2087 I subsequently became aware of it. 2088 Q At what time? 2089 Sometime after, I can't say exactly when. Sometime 2090 after. 2091 Did you learn that from Mr. Slease? Q 2092 Yes, sir. 2093 Who did he tell you was the donor? 2094 A I think the name is Mr. Bonahue. 2095 Did he tell you the amount of the donation? 2096 I can't remember. He said it was a substantial 2097 contribution. 2098 Did you discuss with Colonel North your

2099 arrangements with respect the involvement of the Heritage 2100 Foundation? I don't recall. No, I don't think I did. I don't recall discussing the details of this any more about, of 2102 2103 those kinds of details. 2104 Did you report to Colonel North that Mr. Slease had arranged a substantial contribution? 2105 2106 Mr. Slease asked if Mr. Donahue had made a 2107 contribution, could he receive a letter just indicating that the Government of the United States was aware that he had 2108 2109 supported something, this was not a free-lance operation or 2110 fund raising, after all, he wouldn't receive detailed 2111 accounting of exactly how, he couldn't publicly discuss this 2112 and check it out through the normal procedures. So he asked 2113 for some indication that he was acting supportive of 2114 national interest. 2115 And what did you do in response to that request? 2116 I can't remember whether Slease suggested it or I 2117 suggested it, but we thought the best thing was to get a 2118 note from the President of the United States thanking him 2119 for his general support. 2120 Did you get such a note? 2121 I did ask North if such a note could be obtained, I

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2122 didn't know whether it could be obtained, I asked him if he

could do it, and I understand he did do it.

2123

NAME: HIR253000 PAGE 89 . Q Did you ever see the note? . A I can't--I may have, I can't remember. I think I did, but I am not sure. 2126 2127 But in connection with this note, you do not recall 2128 any discussion with Colonel North about Meritage Foundation--2129 2130 . . 2 --being the vehicle for this transfer? No, I don't. It was unnecessary to discuss it with 2131 2132 him. 2133 Are you aware of any other contributions that Mr. 2134 Slease arranged? 2135 Well, Mr. Slease asked me to meet John, Mr. John 2136 Mirtle, and I asked for him to be introduced to Morth, so 2137 that North could explain the purpose of the activity, and I 2138 did introduce, arrange to meet Mr. Mirtle, who I had not met 2139 before, and I introduced him to North. Did Mr. Mirtle come to Washington to your office, 2140 2141 or did you meet him at the White House? 2142 I think I met him at the White House. 2143 2 Then you attended a meeting? 2144 Another brief meeting with North. 2145 Were the matters discussed similar to the subject 2146 matter of the meeting that Mr. North or that Colonel North

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. A Wasn't very different, but, again, I wasn't paying

and Mr. McFarlane had had with Mr. Slease?

2147

2148

HAME:	HIR253000	UNCLA	SSIFIEU	PAGE	90	
2149	that mucl	h attention.	I may have been	n on the p	phone myself	,
2150	may have	been writing	something, it	wasn't nec	cessary for	n e
2151	to hear	the same mate	rial briefing,	so I don'	t think I was	s
2152	paying a	great deal o	f attention.			
2153	. 2	The subject	matter was the	need of		ı
2154						_
2155	. A	Absolutely.				
2156	. Q		for funds.			
2157	. A	Right.				
2158	. 2	Mr. McFarlan	e did not partic	cipate in	this meeting	g ?
2159		Correct.				
2160	. 9	It was just	Colonel North a	nd you and	d Mr. Hirtle	?
2161		Correct.				

2162	
2163	DCHN HILTON UNCLASSIFIED
2164	[12:15]
2165	
2166	. Q Do you know if Mr. Mirtle undertook any efforts to
2167	raise funds after this meeting with Colonel Morth?
2168	. A No, I think he did.
2169	. Q How do you know that?
2170	. A I think he told me, Slease told me.
2171	. Q Do you know if he raised any funds?
2172	. A I think he did. One day a check arrived at my
2173	office et the Mational Strategy Information Center made out,
2174	I think, to the Institute for North-South Issues, from a
2175	person whom I didn't know.
2176	. Q Do you recall the amount of the check?
2177	. A No, I don't. I then called Mr. Miller and asked
2178	him to come and pick up the check.
2179	. 2 And I take it he did so?
2180	. A Yes.
2181	. 2 And is that the only contribution that you believe
2182	was generated by Mr. Mirtle's efforts?
2183	. A I generally have a feeling that there were some
2184	others, but I don't know. I didn't know anything about it.
2185	. 2 Do you recall if the contribution was from an
2186	individual named Macaleer?
	7

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2187	. A I'm sorry, I just don't remember.
2188	. Q Had you told Mr. Hirtle to have any contributions
2189	directed to the Institute for North-South Issues?
2190	. A Yes, I had told him about both methods. There was
2191	an account, and there was the Institute.
2192	. $\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \$
2193	with Colonel North?
2194	. д Хо.
2195	. 9 When did you tell him that?
2196	. A At some subsequent time that he indicated he could
2197	in fact do something. I can't recallI can't say I didn't,
2198	certainly not in the presence of Colonel North. We would
2199	have had the meeting with him and then we went outside.
2200	Whether I did it at that particular juncture or at a
2201	subsequent time, I don't recall.
2202	. 9 Did Colonel North ask Mr. Hirtle to raise funds for
2203	in your presence?
2204	. A I don't know the formulation. I can't recall the
2205	formulation. There was a discussion of the need to support
2206	and as I mentioned earlier, I don't
2207	know that I was paying that much attention. I was probably
2208	doing, as I frequently do at meetings, I would be on the

Going back to the meeting with Mr. McFarlane and

phone and sometimes writing things myself, so I don't recall

XAME:	HIR253000 PAGE 93
2212	Colonel North with Mr. Slease, do you recall either Mr.
2213	McFarlane or Colonel North asking Mr. Slease to raise funds
2214	for
2215	. A I don't remember it stated that way. I recall a
2216	necessity, discussing the purpose, why that it was
2217	important.
2218	. Q Going back to your original conversation with
2219	Colonel North, am I correct in understanding that Colonel
2220	North did ask you to assist in raising funds for
2221	
2222	λ Yes.
2223	. Q Did Hr. HoFarlane also ask you to do that?
2224	A No.
2225	. 2 And the only specific contribution that you are
2226	aware of that Mr. Hirtle or that you believe Mr. Hirtle
2227	solicited was this one check that arrived at your office
2228	payable to the Institute for North-South Issues?
2229	. MR. SILBERT: Can I hear that question again,
2230	please?
2231	. [The reporter read the record as requested.]
2232	. MR. SILBERT: There are two different tests there.
2233	One is aware and one is believe. I don't know if you
2234	intended it to be synonymous.
2235	BY HR. FRYMAN:
2236	. Q Let me rephrase the question. Do you have any

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2237	information indicating that Mr. Mirtle was responsible for
2238	any contribution to other than the
2239	check that you have described that arrived at your office?
2240	. A No. I can't recall any.
2241	. 2 Did you contact anyone other than Mr. Slease and
2242	Mr. Mirtle about raising funds for
2243	response to the request by Colonel North?
2244	. [Witness and counsel confer.]
2245	. THE WITNESS: I'm sorry, I forgot the question.
2246	. [The reporter read the record as requested.]
2247	. THE WITNESS: I'm not saying I contacted Mr. Hirtle.
2248	I can't recall whether I contacted Hirtle. I didn't know
2249	Mr. Hirtle to start with. SleaseI believe I may have asked
2250	him to call me or he may have called me and asked me to call
2251	Hirtle, just to clarify the record.
2252	. I, of course, discussed this with Mr. Feulner. I
2253	can't recall any other conversations. I was trying to
2254	minimize the number of people who were involved in this.
2255	. BY MR. FRYMAX:
2256	. Q The conversation with Mr. Fuelner that you have
2257	described concerns the mechanism for the transfer of the
2258	funds that were to be donated by Mr. Donahue. Did you have
2259	any other conversation with Mr. Feulner about raising funds
2260	for

V1 V .	HIRZESOOD INCLASSIFIED PAGE OF
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2262	don't think you intended it, I don't think that Mr. Godson
2263	indicated he was aware that when he talked to Feulner who
2264	the contributor was, and part of your question may be taken
2265	to assume that he did. I don't think you intended it that
2266	way, but I just wanted to make sure the record is clear tha
2267	we are not assuming something that is not in evidence.
2268	. BY MR. FRYMAN:
2269	. Q With that understanding, Mr. Godson, can you answe
2270	the question?
2271	. A I'm sorry.
2272	. 2 Let me phrase it again. Other than the
2273	conversation with Mr. Feulner that you have described about
2274	the mechanics of transferring the contribution that was
2275	being arranged by Mr. Slease, did you have any additional
2276	conversations with Mr. Feulner with respect to the raising
2277	of funds for
2278	. A Other than that it was a generally good idea. I
2279	mean, we discussed it that it was a generally good idea, bu
2280	I don't recall a specific conversation about that. There
2281	wasn't much time. He was pressed.
2282	. Q Did you ask Mr. Fewlmer to undertake any fund-
2283	raising efforts?
2284	. A I can't racall whether I did, but I wouldn't be
2285	surprised if I had said, obviously, you know, can you help
اءمدا	And There is well have been consistent with my winger

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NAME:	HIR253000	UNCLASSIFIED "
2287	about thi	is, but I don't recall the specifics.
2288	. 9	Do you have any information with respect to whether
2289	or not he	ı did?
		No, I don't.
2291	. 2	Do you know an individual named Scot Miller?
	. 1	
2293	. 2	Now did you meet Mr. Miller?
2294	. A	Through Mr. Slease.
2295	. 2	What was the occasion when you met Mr. Miller?
2296	. A	I think the first time I met Mr. Miller was in
2297	Switzerla	and, when I was attending a meeting in Switzerland
2298	about a s	subject which is completely irrelevant to the
2299	subject m	aatter here of this investigation.
2300	. 9	Were you aware that Mr. Miller worked with Mr.
2301	Mirtle?	
2302	. A	Yes, I was.
2303		Did you have any information about any involvement
2304	by Scot 1	Miller in the fund-raising efforts by Mr. Mirtle?
2305	. 1	Pertaining to
2306	2	Yes.
		No information whatsoever.
2308	. Ω	Were you ever told that Scot Miller had been
		in the fund-raising efforts?
2310	. Х	Ko.
2311	. 2	With John Miztle?

HAME:	NIR253000	NULASSIED PAGE 97
2312	. A	No. WITCHESTIFLE
2313		MR. SILBERT: You mean the fund-raising efforts for
2314		
2315		BY MR. FRYMAN:
2316	. 2	Yes, the fund-raising efforts that we have been
2317	discussi	ng.
2318	. А	Right.
2319	. 2	So the first time you met Scot Miller was in
2320	Switzerla	and?
2321	. 1	Correct.
2322	. 2	And this was a meeting that Mr. Slease arranged?
2323	. 1	I don't know if he arranged it. I think Mr. Miller
2324	was in Su	sitzerland. I was there, and it was the first time
2325	Me Mere 1	probably in the same city.
2326	. 2	Had you known in advance that Scot Miller was going
2327	to be the	ze?
2328	. А	Yes. I mean, he does business in Switzerland, and
		se had told me he was there and that he might be
- 1		d in attending some of the activities that I was
·		in which have nothing to do with Central America.
		Do you know faith Whittlesey?
2333		
		Had you known Mrs. Whittlesey during the time that
		id in the White House?
2336	. а	Yes, I had.

NAME: HIR253000 2337 ٥ And at that time you were a consultant to the 2338 National Security Council? 2339 Correct. 2340 ۰ And she later became Ambassador to Switzerland, is that correct? 2342 Correct. And you continued to know her in that capacity? 2343 2344 Did you ever have any discussion with Mrs. 2345 2346 Whittlesey about raising funds for any purpose relating to 2347 Nicaragua or Central America? 2348 In the years--raising funds relating to 23149 Micaragua--Central America is to me a big subject. 2350 are asking about raising funds in any way to do with the 2351 contras, no. I mean, I never had any conversation with her 2352 to my recollection about that. 2353 But you do recall conversations that would be 2354 responsive to the broader question that I raised? 2355 As I recall, I may have had conversations with her in 1982-83, in amound that period, I mean in that time, 2356 about educational programs about American foreign policy 2357 including Central America. She was in charge of the Office 2359 of Public Limison and so she was in contact with a lot of

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groups, and I probably had conversations with her. I could

have had conversations with her about that, and I think it's

2360

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2362 likely but I don't recall the specifics of it.

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2363	RPTS CANTOR UNULADOITIED
2364	DCHN QUINTERO
2365	. Q During the period when she was Ambassador to
2366	Switzerland, did you ever have any conversation or
2367	correspondence with her concerning the raising of funds
2368	related to Micaragua or Central America?
2369	. A No.
2370	. Q During the time that she was ambassador, you
2371	attended a number of meetings and dinmer at the ambassies in
2372	Switzerland; did you not?
2373	. A I attended two.
2374	. Q Did these two meetings relate in any way or involve
2375	in any way the raising of funds for
2376	or Central America?
2377	A Absolutaly not.
2378	Q Was one of the persons who attended one of these
2379	meetings Siz James Goldsmith?
2380	. A He did.
2381	. Q Do you have any knowledge of any effort to obtain
2382	contributions from Sir James Goldsmith?
2383	. д Хо.
2384	. Q Relating to
2385	. д Жо.
2386	When you said
2387	assume we are talking about fund raising

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2388	PAGE
2389	That is what you mean by that?
2390	
2391	[Discussion off the record.]
2392	. HR. FRYMAN: Back on the record.
2393	. BY HR. FRYHAM:
2394	. 2 Mr. Godson, do you have any information, or are you
2395	aware of any information concerning attempts to obtain
2396	contributions by Sir James Goldsmith
2397	for the resistance forces in Micaragua, or
2398	any public education or lobbying campaign in the United
2399	States relating to Micaragua?
2400	. A I am unaware of any such.
2401	. 9 Do you know Arturo Cruz?
2402	. A That is senior?
2403	Q Yes.
2404	. A Yes.
2405	. 2 Are you aware that he received funds at some point
2406	from the National Strategy Information Center?
2407	. MR. SILBERT: Just for the record, although this was
2408	not one of the subjects we understood to be the area of
2409	inquiry today, Mr. Fryman, because it happened to be the one
2410	area that we thought might be germane to Mr. Godson's
2411	inquiry, we did prepare on that, and we are prepared to
2412	respond to your questions on that.

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2413	THE WITKESS: Yes, I am aware that he was a resemuch
2414	fellow at the National Strategy Information Center, for six
2415	months.

2416 BY MR. FRYMAN:

2417 . Q What period of time was this?

2418 . A I can't recall exactly, in '84 or '85.

2419 . Q Do you recall how much money he received?

2420 . A I think it was in the area of \$40,000.

2421 . Q Do you know why he was--

2422 . A He was paid \$40,000 before taxes.

2423 . Q Do you know why he was retained by the National

2424 Strategy Information Center in that capacity.

2425 . A Me was an outstanding intellectual who the Mational 2426 Strategy Information Center thought could contribute to

2427 public understanding of events transpiring in Nicaragua,

2428 especially as he had been involved in Micaraguan political

2429 affairs and had been ambassador, and had written extensively

2430 about the subject.

2431 . Q Was it your suggestion that he be retained.

2432 . A It was my suggestion initially.

2433 . Q Initially?

2434 . A To Frank Barnett?

2435 . Q Had you ever discussed that idea with Colonel North?

2436 . A Yes.

2437 . Q Did Colonel North make that suggestion to you, that

UNCLASSIFIED PAGE 103 2438 Mr. Cruz be retained by the MSIC? 2439 He and Vincent Cannistraro had a conversation with 2440 me about this one day and said that Arturo Cruz was looking 2441 for meaningful work and wanted to write, and asked whether I 2442 knew of a foundation or a center where he could do that. 2443 So that conversation with Colonel North and Mr. 2444 Cannistraro is what prompted your recommendation to the 2445 MSIC; is that correct? 2446 Just one second. 2447 [Witness confers with counsel.] 2448 THE WITHESS: Yes. They initiated the idea, but I 2449 also thought, I mean myself, that this would be a useful 2450 thing. I have read some of Mr. Cruz' articles in scholarly 2451 publications, intellectual magazines, and thought he would 2452 make an interesting person to have as a research fellow. 2453 BY MR. FRYMAM: 2454 2 Did you discuss the retention of Mr. Cruz with 2455 anyone else inside the United States Government other than 2456 Colonel Morth and Mr. Cannistraro? 2457 A Not to my recollection. 2458 . Q Did you discuss it with Mr. Casey? 2459 No. 2460 With Walt Rem

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later on when he was a fellow I may have mentioned it to

What I wanted to add there was I can't say

2461

2462

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Walt Ramon that he was a fellow. I can't say I didn't say I didn't say it at a it with Mr. Barnett at MSIC and decided to offer him--UNCLASSIFIED

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2488	
2489	
2490	
2491	
2492	
2493	. 2 Were you satisfied with the work that Mr. Cruz
2445	performed in connection with the grant he received from th
	NSIC?
2496	. A Regrettably we were not.
A	. 2 Did it surprise you that his work was not
	satisfactory?
1500	. A Yes, it did.
2500	. Q We have talked, Mr. Godson, about the Mational
	Strategy Information Center, which I take it is a nonprofi
1000	organization.
-	. A Monpartisan, tax-exempt, educational organization.
2504	
2505	organizations?
-	. A When you say ''associate with''?
	. 2 Let me narrow it down. Have you formed any
700	organizations yourself?
2509	. A In this last year, '86-'87 I did from a new
	organization. That is the wrong term.
2511	
2514	[Discussion off the record.]
	(MASOGRATOR OIL THE LEGOLG.)

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NAME:	HIR253000 UNULADOITED PAGE 106
2513	MR. FRYMAN: On the record.
2514	. THE WITNESS: I have been involved in setting up,
2515	refurbishing, if you will, an older but turning it into a
2516	new tax-exempt organization in this past calendar year.
2517	. BY MR. FRYMAN:
2518	. 9 What is the name of that organization?
2519	
2520	or Studies, or something.
2521	. 2 ind your involvement in that began in 1987?
2522	. A '86, I think.
2523	. 9 Within the last !2 months?
2524	. A Yes.
2525	. 2 Other than that organization, have you been involve
2526	in the establishment or the reformulation of any other
2527	nonprofit organizations?
2528	. A Over my lifetime?
2529	. 2 Let's say within the last three years?
2530	. A Not to my recollection. No, I don't think so.
2531	. 2 Have you had control over the bank account of any
2532	other nonprofit organization within the last
. 2533	. A By 'other,' you are referring to this new
2534	institute?
2535	. 2 By 'other,' I am referring to anything other than
2536	this new institute, and I am also including MSIC.
2537	. A I want to be very clear. I have no control.

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2538	I am not an officer of MSIC. I am not a director of MSIC
2539	I am a part-time director, that is it is in name only, so
2540	that is somebody who is identified as the director. I have
2541	no control of the bank accounts of MSIC or of any other
2542	organization other than this newly formed institute, and I
2543	am not even sure if I have control of the bank account
2544	there.
2545	. 2 And you have not had within the last three years?
2546	. А Хо.
2547	. Q I have a few other questions relating or associated
2548	with Colonel Morth's chart, which is Exhibit 2. We were
2549	talking earlier, Mr. Godson, about a youth conference that
2550	was held in Jamaica in 1985. Did you attend that
2551	conference?
2552	. A I did.
2553	. 2 Did you have any responsibility in connection with
2554	the conference?
2555	. A Could you define responsibility for me, please?
2556	. Q Let me rephrase the question. What was your role in
2557	that conference?
2558	. A I was asked to attend the Jamaica International
2559	Youth Conference, by Kelly Alexander, who was the President
2560	of the USIYYC, the same organization, it should be U.S.
2561	International Youth Year Commission.

UNCLASSIFIED 2563 Alexander was the elected president of the organization. I was asked to travel to Jamaica to be a consultant or adviser to him. And I was also asked by the Minister of Youth of 2565 2566 Jamaica if I would attend, to be available, should he have any questions for me. Who was the Minister of Youth of Jamaica? 2568 2569 Erol Anderson. 2570 How is that spelled? 2571 A Anderson, you know. And when were you originally asked to participate or 2572 to be involved in this conference? 2574 I can't recall exactly which month. Do you recall the year? 2575 2576 1985. 2577 The conference was held in April of 1985? 2578 And it is your recollection you had no role in that 2579 conference prior to 1985? 2580 2581 MR. SILBERT: I really have a problem with this. He didn't say that he had no role. 2582 2583 You asked the question. You asked him how he happened to 2584 attend, and he responded to it. MR. FRYMAK: I think I asked, him, Mr. Silbert, what 2585 2586 was his role in the conference. MR. SILBERT: You asked him his responsibilities and 2587

UNCLASSIFIED 2588| he asked you to clarify that and you said you would rephrase 2589 the question and you asked how he happened to attend, and he 2590 responded Kelly Alexander asked him to attend. MR. FRYMAN: If the report could go back and read 2592 the question and answer relating to Mr. Godson's original 2593 involvement in the conference in Jamaica? 2594 [Question and answer read.] 2595 . BY MR. FRYMAN: 2596 . 2 Mr. Godson, the report has read a prior question and 2597 answer. I had asked you what your role was in that 2598 conference, and you had responded that you were asked to 2599 attend by Mr. Alexander, and then a subsequent answer you 2600 indicated that that request occurred in 1985, and my follow-2601 up question is did you have any role in that conference 2602 prior to 1985. MR. SILBERT: I would like to hear a proffer as to 2603 . 2604 the materiality of that to House Resolution 12, and then I 2605 will try to make an assessment as to whether I think it is 2606 germane to the inquiry. MR. FRYMAN: It is very simple, Mr. Silbert. 2607 . 2608 Exhibit 2 is in front of you, and I think questions relating 2609 to the Jamaica conference and Mr. Godson's role in that 2610 conference and the International Youth Year activities are

relevant, and I would ask Mr. Godson to answer the question.

MR. SILBERT: If you have more pointed questions

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2612 .

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2613 that relate to Exhibit 2, I think they are relevant. We are
2614 fast approaching the end of this deposition today, as far as
2615 my schedule permits and we are not going to go into the
2616 history of Mr. Godson's role in the youth movement or in the
2617 Jamaican conference.

. MR. FRYMAX: The question stands, and he can either answer it or you can direct him not to answer it.

MR. SILBERT: I will object to the question on the grounds I have previously stated, twofold grounds. Myself not being aware until yesterdey that—well, at no time was I told the youth commission activities would be a subject of today's deposition.

Not until yesterday at sometime around 5 o'clock was I advised that my understanding of the scope of today's deposition was incorrect. Therefore, in terms of lack of being able to prepare the witness, particularly on such broad-ranging inquiries that seem to go far beyond the mandate of the committee, I certainly haven't done the preparation for today's deposition.

Secondly, I also object on the grounds of relevance.

. MR. FRYMAX: Again, I don't think any purpose is served by a detailed debate back and forth as to what you expected the subject matter of the deposition to be. I will merely point out that we have had a previous exchange of correspondence concerning subpoenes that directly involved

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2638 the International Youth Year and Mr. Godson's association 2639 with it.

I will also point out that in our prior interview there
the was an extensive discussion of that subject, and how you
concluded that it would not be a subject for discussion
today is beyond me.

2644 MR. SILBERT: I think it is very simple, Mr. Fryman. 2645 I think it is perfectly clear from that interview, based on 2646 Mr. Godson's answer that the information he knew of, the 2647 information of which he was aware, had utterly no relevance 2648 to either Exhibit 2, or anything within the mandate of the 2649 scope of the committee and, therefore, it was natural for me 2650 to conclude, when you did not make specific reference to it, 2651 that having had an investigator come down and go through all 2652 the files in our office that related to that, and further 2653 having examined him at an informal interview at which 2654 Professor Godson voluntarily appeared and spent considerable 2655 time, as you are correct, going over this subject, and there 2656 being nothing said in that interview that indicated the 2657 remotest affiliation with anything to do with Nicaragua, or Iran, or arms for the Sandinistas, from his association with 2658 2659 the youth movement, I naturally assumed that it would not be

the subject of this deposition and the committee would not

MR. FRYMAN: The questions stands.

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waste its time.

UNCLASSIFIED PAGE 112 NAME: HIR253000 2663 . BY MR. FRYMAN: 2664 . Q The question stands, Mr. Godson. You should answer 2665 the question unless your counsel directs you not to. 2666 . MR. SILBERT: I respectfully advise the witness that 2667 for the reasons previously stated, he ought not to answer 2668 the question. 2669 If you want to construe that as a direction, you may. BY MR. FRYMAN: 2670 . 2671 . Q Mr. Godson, are you refusing to answer the question? 2672 . A On advige of counsel, at this time I decline to 2673 answer the question. Can I add also that I have tried to be as cooperative as I 2674 2675 can. I wish to do so, but at this time I decline to answer 2676 the question. 2677 . Q In connection with your association with the April 2678 1985 conference in Jamaica, and your work on the 2679 International Youth Year, did you receive any United Status 2680 Government funds? 2681 [Witness and counsel confer.] 2682 . THE WITNESS: I may have misunderstood the question. Could you repeat. 2683 2684 [Question read.] THE WITNESS: With respect to attending that

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2686 conference, I received no funds.

BY MR. FRYMAN:

2687 .

UNCLASSIFIED NAME: HIR253000 . Q I don't think that is responsive to the question. 2688 2689 Read the question again. 2690 MR. SILBERT: That is his answer. You don't have to 2691 read the question. If you want to ask a follow-up question, 2692 you may. 2693 We has answered that question. 2694 BY MR. FRYMAN: 2695 . 9 Mr. Godson, the question had two parts. One related 2696 to the Jamaica conference; the other part had to do with other activities by you relating to the International Youth 2697 2698 Year. 2699 Did you receive any United States Government funds or did 2700 any organization with which you are associated receive any 2701 United States Government funds in connection with such 2702 activities? 2703 MR. SILBERT: That is such a broad-ranging question, and unless I have some better idea as to gain how that is 2704 2705 germana to the committee's inquiry, I object to the answer 2706 and will advise him not to answer it. 2707 It doesn't mean that a more precisely pinpointed question 2708 that focuses in on House Resolution 12, or deposition No. 2, 2709 I would make the same objection and instructions, but I do 2710 object to the question respectfully as phrased. 2711 BY MR. FRYMAN: 2712 2 Do you understand the question, Mr. Godson?

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Q And are you refusing to answer the question?

A Yes, on advice of my counsel at this time.

2716

NAME: HIR253000 **UNCLASSIFIFM** 2717 RPTS THOMAS 2718 DCMN PARKER 2719 [1:00 p.m.] 2720 MR. FRYMAN: Mr. Silbert, I have a series of 2721 additional questions in the same area concerning payment of 2722 United States Government funds to Mr. Godson in connection 2723 with the International Youth Year. Is it your position that 2724 you will advise your client not to answer such questions. MR. SILBERT: I am not prepared to say that. I 2725 2726 would have to hear each specific question, and then try to 2727 make an assessment as to whether that question, given my 2728 prior by objections, continuing objection, he should answer. 2729 BY MR. FRYMAN: 2730 Were national strategy information center bank accounts used in connection with your activities with 2731 2732 respect to the International Youth Year? MR. SILBERT: I am not sure I understand that 2733 2734 question. Do you? THE WITNESS: I may have some idea, but this points 2735 2736 to the purpose of us having consulted about these matters. 2737 MR. FRYMAN: Do you understand the question?

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able to. I am not sure.

BY MR. FRYMAN:

THE WITNESS: I am not sure I do either. I may be

What is it you do not understand about the

2738

2739

2741

(AME :	HIR253000 UNCLASSIFIED PAGE 116
2742	question? UNULAUUH ILD
2743	MR. SILBERT: He is not prepared to answer. I
2744	haven't discussed this subject matter with him at all. I
2745	mysel+ have to step out and give the background, so I could be able
2746	to counsel him with respect to these matters. Again, that
2747	particular question, I do have problems with seem relevance
2748	as well. I just don't understand how it relates even to
2749	Deposition Number 2.
2750	MR. FRYMAN: The pending question is what is it
2751	about the question that I asked that he does not understand.
2752	. MR. SILBERT: I know I didn't understand it,
2753	something to do with any bank accounts used
2754	. BY MR. FRYMAN: My question is Mr. Godson's
2755	
2756	. THE WITNESS: I am afraid I have to explain to him
2757	what I think may be involved. Can we go outside for a
2758	minute?
2759	. MR. FRYMAN: Let the record reflect the witness has
2760	asked to confer with counsel, and we will go off the record.
2761	. [Recess.]
2762	MR. FRYMAN: Let's make break and resume at 2
2763	
2764	
2765	recessed, to reconvene at 2:00 p.m. the same day.]

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AFTERNOON SESSION

2770 BY MR. FRYMAN:

2771 Mr. Godson, would you generally describe the nature of your involvement in the activities relating to the

2773 International Youth Year?

2774 I had been studying international youth affairs for many years, and began a study of the International Youth Year back in the early 1980 s. 2776 I played a role in encouraging the United States Government as well as the 2777 Jamaican and other governments to have a major international 2779 conference.

2780 I worked with youth in the United States and abroad, to encourage participation of democratic youth groups in the 2782 first-ever global conference of democratic youth. I played 2783 no role whatsoever in handling the money or in making any of 2784 the key decisions. These were decisions that were made by 2785 governments and by the youth groups themselves.

I know of no discussion or actual diversion of any funds to the Micaraguan democratic resistance in connection with youth activity. The chart, I know of no reason why any youth organization should be mentioned, should be indicated there, and I never have seen this or was involved in any

UNCLASSIFIED NAME: HIR253000 discussion or activity pertaining to this chart or the diversion of any funds to the Micaraguan democratic 2793 resistance. Q Did you discuss your activities in connection with 2794 2795 the International Youth Year with any employee of the 2796 National Security Council? 2797 Yes. 2798 Which employee? 2799 Several. Walt Raymond was the primary person. Q Did you ever discuss your activities in any way 2800 2801 with Oliver North? 2802 I have no recollection of any conversation about 2803 that. 2804 Q Did you discuss your activities with Mr. 2805 Cannistraro? 2806 I am sure he was aware that I worked on that 2807 project, but this was--Walt Raymond was the primary person at 2808 MSC responsible. I may have discussed it. I discussed 2809 youth affairs in general with Walt Raymond. I cannot say 2810 that Mr. Cannistraro was never present when those 2811 discussions took place, but in the main, Mr. Raymond was the person at the MSC who dealt with youth matters.

Do you have any information with respect to whether

Mr. Raymond ever discussed your activities with Colonel

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North?

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2816	. A I have no information at all.
2817	. Q The conference held in Jamaica in April 1985, what
2818	did you understand to be the purpose of that conference?
2819	. A The purpose was to bring democratic youth, youth
2820	from democratic organizations together to discuss future
2821	problems that would face youth into the future, and to
2822	consider whether to establish an onfgoing youth
2823	organization, a global democratic youth organization.
2824	. Q Was that to be known as a secretariat?
2825	. A My recollectionI can't remember the name, but no,
2826	the secretariat was designed to be the secretariat to
2827	thethere was a secretariat for the conference itself. I
2828	mean that is a formal international procedure to have a
2829	secretariat for the conference, and if there was a follow-up $% \left\{ \left(1\right) \right\} =\left\{ \left(1$
2830	organization, there would be a secretariat to a follow-up
2831	organization.
2832	. 2 Was there a delegation from Micaragua at this
2833	conference in Jamaica?
2834	A I believe there was.
2835	. Q Did you have any contact with that delegation?
2836	. A No, I did not. I mean, I can't say I didn't see

2837 them in the corridors, something like that, but I don't

In your description of your involvement in the

International Youth Year activities, as I understand your

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2838 remember any conversation with them.

2840

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answer, you indicated that you did not have control over any government funds, is that correct?

2843 . A. Correct. -

2844 . Q Were you paid for your involvement in these

2845 activities?

. A In part, yes, as a consultant and the first to USIA

2847 in the early 1980 s, and in part as a consultant to the MSC.

2848 . Q And any payments that you received were in one of

2849 those capacities, as a consulting fee to one of those two

2850 organizations?

2851 . A Exactly.

. 2 Are you aware of the deposit of any United States

2853 Government funds to any account of the Mational Strategy

2854 Information Center relating to the International Youth Year?

55 A In 1981, I think there was a grant to the National

2856 Strategy Information Center, in 1981.

2857 . Q . Was that a USIA grant?

2858 . A Yes.

2859 . Q And after 1981?

2860 . A I don't recall any other grant from USIA. I can't

2861 swear there wasn't one. It may have continued into 1982,

2862 but it was at that period. It was to do a study of

863 International Youth Year for the United States Government.

2864 . Q And other than that USIA grant, you are not aware

2865 of any other government funds relating to the International

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2866 Youth Year being deposited in any MSIC account?

2867 . A Right.

2868 . 2 That is correct?

2869 A Correct.

2870 . Q Turning back to Exhibit 2, Mr. Godson; you have

2871 testified that you first saw that chart either in the Tower

2872 Commission Report or in a newspaper article describing the

2873 Tower Commission Report, and when you saw it, you were

2874 concerned about the box with the entry that appears to be an

2875 abbreviation for the International Youth Committee or

2876 International Youth Commission, and you were concerned that

that box might be identified with your work in some way or

2878 other?

2877

2879 , A Correct.

2880 . Q Did you recognize any of the other entities on that

2881 chart?

2882 . A Well, the box, the only arrow I see from that box

2883 is to FDM, and I had assumed FDM was the main body of the

2884 Nicaraguan military arm that is fighting the Sandinista

2885 government.

2886 . Q Lat's approach it another way, Mr. Godson.

2887 Focusing at first on the top line of the chart, the first

2888 box is NEPL. Did you recognize that?

2889 . A Lat me say I recognized nothing, -- I recognized

2890 nothing on the top line at all, Youth something or other,

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HAME:	HIR253000 UNCLASSIFIED PAGE 122
2891	and then I didn't, at that time, recognize this one, MSI,
2892	but I guess I now want to interpret that as ISI.
2893	. 2 You mean INSI?
2894	. A Oh, if that is what that is, I don't know. I
2895	didn't recognize any. That IN or N?
2896	. 2 In recognizing that, you do not associate that wi
2897	the Institute for North-South Issues?
2898	. A It occurred to me it could have been. It occurre
2899	to me, but that wasn't what concerned me when I first saw
2900	the chart.
2901	. Q Did you recognize any of the entities identified
2902	any of the other boxes on the top line?
2903	A Ko.
2904	. Q You did not know what IDEA stood for?
2905	. А Ко.
2906	. Q Or the GMC Foundation?
2907	. д Ко.
2908	. Q And what about the box next to the International
2909	Youth Committee?
2910	. д Ко.
2911	. Q Or commission?
2912	. A No. I still don't.
2913	. Q On the next line there is a box around the

UNCLASSIFIED NAME: HIR253000 2916 point it hit me that Richard Miller had a company called 2917 something with IBC in it, but it didn't initially, because I 2918 didn't deal with that company. 2919 . 2 So, at the time you first read this chart, you had 2920 not realized that IBC was Mr. Miller's company? Correct. 2922 . Q What about IC, Inc. on that line? A That sort of struck a ball because I think I 2923 2924 ramember the account in the Cayman Islands had IC as part of 2925 its letters and numbers, as I recall, so it concerned me 2926 when I saw it. . Q At the time you first saw this chart in the paper? 2928 . A I can't remember if it was that very day, whether 2929 it was that day or the next day, or two days later. . 2 And what about the box on that same line that 2931 appears to saly ICSA or SA? 2932 It didn't mean anything to me other than on the 2933 first one. 2934 . о What about the box that contains the word, 2935 ''Lake''? . A I had never heard of it until the hearings became 2936 2937 public. 2938 . Q Had you ever had any discussion with Colonel North 2939 about any Swiss bank account?

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2940

. A No.

UNCLASSIFIED Q And no one had ever told you about an account in a 2942 Swiss bank called the ''Lake Account''? 2943 . А Но. 2 The box with the initials, FDM, you indicated 2944 2945 earlier you believe you recognized those initials? 2946 A The initials of the main body fighting against the 2947 Sandinista government. 2948 And the box beside that appears to have UNO. 2949 . A I recognize that as UNO. I thought that might be 2950 UNO, which became the coordinating body of the resistance. 2951 What about the two boxes beneath that? 2952 I can't actually read. My eyes aren't good enough. 2953 I couldn't tell you what those letters are. 2954 Do you see the names beside the boxes, beside the fofile, 2955 box on the left, **mabella** and beside the box on the right, 2956 the name, Cruz? I can't read it right. I can see the left, and I 2957 2958 2959 Did you notice those names when you first read the 2960 chart? . A Not really, because -- I mean I didn't study it. It 2961

2962 wasn't something I was studying. The only one where I
2963 thought it might immediately lead to false inference as

2964 pertains to the Intl Youth Comm.

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Q Finally, Mr. Godson, just to finish this chart, at

MARE:	M1K253000	Q114m11001110	PAGE 125	

2966 the bottom level there is a box with the initials ACE in it.

2967 Did you recognize those initials?

2968 . A No, I didn't.

2969 . 2 And than further to the right, there are six

2970 additional boxas that have Udall Dafex.

2971 . A I can say the others are meaning less to me.

2972 . Q There is one additional box that is out beside the

2973 box that has the word, "'Laka, " in it. Do you see that?

2974 . A This one, you mean?

2975 . Q Yes.

2976 . A Is that what that says?

2977 . MR. SILBERT: No, this says, Like.

2978 . THE WITNESS: I don't even know what that says. I

2979 can't read it and that doesn't meen anything to me, whatever

2980 that is.

2981 . BY MR. FRYMAM:

2982 . Q It appears to have the letters BOL.

2983 . A If that is BOL, it still doesn't mean anything to

2984 ne.

2985 . Q Did you ever have any contact with Richard Miller,

2986 epart from the matters that you have described involving the

1987 transfers of the contributions that had been arranged by

2988 Terry Slease and John Hirtle?

2989 . A Not to my recollection. I think I only saw him

2990 once or twice in my life.

2 Do you recall attempting to reach Mr. Miller by telephone at his office, and he not being present in the 2992 2993 office, and your leaving a message that it was urgent that 2994 he get back to you promptly, that you were about to leave 2995 for Europe? HR. SILBERT: Can you put any time frame? Can you give the year? 2997 2998 THE WITKESS: I don't remember that. The only 2999 reasons I would have been interested in getting something from Mr. Miller would have been the precise name, you know, 3001 the method of transferring the funds 3002 was the basis of my relationship with Mr. Miller, and the 3003 only thing I can say is, if he says that there was such a 3004 message left at his office, that I did travel to Europe, I 3005 do travel to Europe, and it was quite likely I was trying to get -- it is entirely plausible I was just trying to get the 3007 name, the number of the account. 3008 BY MR. FRYMAK: And you were not trying to contact him about any 3009 3010 other subject? I was not involved with him in any other subject 3011 3012 other than Ware you aware of Mr. Miller's role in attempting 3013 3014 to obtain the release of hostages in the Middle East?

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I was unaware of it, and if he was, it was the

UNCLASSIFIED NAME: HIR253000 3016 first time I have heard it. 3017 And you had no contact with him with respect to 3018 thet? 3019 Correct. 3020 Q Did you have any knowledge of a supposed Saudi prince named Almasudi? 3022 3023 Q Have you ever met Carl Channell? You asked me that before, and to my knowledge, no. 3025 2 Have you ever met Dan Conrad? 3026 A To my knowledge, no. 3027 One of Mr. Channell's associates? 3028 A I didn't know that, but no, I don't think so. 3029 Q Nave you ever had any involvement in--3030 MR. SILBERT: Who was that last name? 3031 THE WITNESS: Dan Conrad. 3032 MR. SIL 900:Conrad? 3033 BY MR. FRYMAN: 3034 Have you ever had any involvement in the 3035 fundraising activities of Mr. Channell's organizations? 3036 . A No. 3037 MR. FRYMAN: Off the record.

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3038	RPTS THOMAS UNCLASSIFIED
3039	DCHN PARKER
3040	[2:30 p.m.]
3041	BY MR. FRYMAN:
3042	. Q Mr. Godson, going back to our discussion of the
3043	contributions that was ultimately made by the Heritage
3044	Foundation and your conversation with Mr. Feulner, as I
3045	recall your testimony, you stated that you informed Mr.
3046	Faulner in the initial conversation that these were funds
3047	being raised for the purpose of transferring them to
3048	is that correct?
3049	. A Correct.
3050	. 2 Did you have further conversations with Mr. Feulner
3051	about that grant?
3052	. A Other than that day you mean?
3053	. Q Yes.
3054	. A I don't recall any other. He was leaving, as I
3055	recall, to travel abroad, and I think he instructed me to
3056	deal with Hr. Truleon. I think that is what happened.
3057	There would be no other reason for me to have discussed it.
3058	. 2 Have you discussed that grant with Mr. Feulner any
3059	time this year?
3060	. à Yes, sir, I have.
3061	. 2 When did you discuss it?
3062	A I don't remember the date.

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3063 . Q Within the last three months.

3064 . A Yes.

3065 . Q How did that conversation come about?

3066 . A He called me telling me that there was a newspaper

3067 journalist conferring with counsel--newspaper, particular

3068 journalist who was likely to be hostile to the Heritage

3069 Foundation, and I had come across their grants to the

3070 institute for north/south affairs, and he was calling to ask

3071 me what I recalled about the grant.

3072 . I think it was Mr. Trulock called me first. Mr.

3073 Trulock called me first. I then returned the call to Mr.

3074 Feulner, then I think we had a three-way conversation,

3075 Trulock, Feulmer and myself, on the telephone in which he

3076 said he forgot what the purpose of that grant was. I said I

3077 remembered it very clearly.

3078 . He remembered what it was. We agreed that Mr.

3079 Trulock would not tell the journalist the purpose intended

3080 by the recipient of that grant.

3081 . 2 You reminded him of your original conversation with

3082 him where you had stated the purpose.

3083 . A Correct.

3084 . Q Did he indicate that that then refreshed his

3085 recollection about the purpose.

3086 . A It did, but he also asked me what was the Institute

3087 for the Morth/South. In other words, he couldn't remember,

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didn't appear to remember the whole transaction, and so I reminded him there was Mr. Miller, and he was -- they were -- Mr. Channel was on the telephone. I was trying to be somewhat 3090 discrete about this, but he understood that that was and the institute was the method of transferring, 3093 and he seemed to accept that. 3094 He agreed--instructed Mr. Trulock not to inform the 3095 journalist about it. Have you had any further discussions with Mr. 3096 Feulner about this grant? 3097 3098 Yes, I had one further discussion with him about it 3099 on the night when Congressman Fascell asked questions about my meetings with Colonel North and about Mr. Donahue and Mr. 3100 Mirtle and he was informed by Colonel Morth this was agreed this would not be a subject for public discussion; that the 3102 committee had apparently made some determination it wouldn't 3103 be discussed in public. 3104

Hr. Feulner's office--I was on jury duty--that Mr. Feulner's office, during the course of the day apparently issued some sort of statement to the press about the remarks which Congressman Fascell had made. The journalist inquired of me that evening. I deferred to comment about who the recipient of the funds--Mr. Trulock apparently had told the journalist from their inquiries of me that I had asked the Heritage Foundation to transfer the funds to the Institute

3113 for North/South Affairs, suggesting they were doing this 3114 only because I and Mr. Slease had done this. 3115 Mr. Feulner had called me in the evening after -- this 3116 was later in the evening, fairly recent, as I remember this quite well--and was apparently out of the city or just 3117 3118 returned to the city that day and said he was unaware Mr. Trulock had made this statement. And we both agreed it was 3119 3120 unfortunate, especially as he knew the reasons for the 3121 transfer of the funds, and this obviously left a false 3122 impression. But given the sensitivity of the recipient, we 3123 decided to live with the fact that the record reflected 312U 3125 somewhat adversely on me and Mr. Slease, and just decided to leave it at that. 3126 3127 MR. FRYMAM: Mr. Godson, I have no further 3128 questions. Mr. McGough, I believe, now has some questions. 3129 BY MR. MCGOUGH: 3130 • I will follow up a few. 3131 Mr. Godson, outside of the discussions with Colonel 3132 North that you have already described, did you ever discuss with him on any other occasions the needs of the Nicaragua 3134 resistance for financial support. 3135 No, I didn't.

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Did you ever --

Not to my recollection.

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3138	
3139	solicit money for any other cause at all?
3140	\wedge
i	the investigation that you are talking about here.
3142	. 2 Other than what we discussed already?
3143	did he ever discuss or ask you to raise
3144	money for anything other than
3145	in the circumstances you have described?
3146	. A Are you asking about any other part of the world
3147	have to do with domestic, to do with
3148	don't understand the question.
3149	. 2 I think it is, yes, the answer to your question for
3150	clarification, any other part of the world. Did Colonel
3151	North ever ask you to raise money for anything else other
3152	than
3153	. A I am trying to think. I don't recall anything
3154	specific, no.
3155	. 2 The qualification you don't recall anything
3156	specific bothers me a little bit.
3157	. A I can't say that I didn't havecan I talk to my
3158	counsel?
3159	. MR. MCGOUGH: Sure.
3160	. [Conferring with counsel.]
3161	. HR. SILBERT: I think we will have to step outside.
3162	. MR. MCGOUGH: Okay.

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3163	[Recess.]
3164	. THE WITHESS: The answer to your question is I
3165	cannot recall a specific incident where we asked me to raise
3166	funds for anything else.
3167	. BY MR. MCGOUGH:
3168	. 2 Did you ever discuss with Mr. Miller, Richard
3169	Miller, that is, what, if any, compensation he or INS or
3170	anyone else associated with him might take out of the
3171	donation or contribution?
3172	A No, I did not. I actually didn't assume he was
3173	taking anything.
3174	. 2 You had no information that MINS or Mr. Miller
3175	deducted any amount from those contributions prior to
3176	passing them on to
3177	. A No, I was doing this pro bono. I assumed he was.
3178	. 9 Did you discuss that specifically with him?
3179	. λ Но.
3180	. 9 Did you discuss compensation?
3181	. A No, it didn't come up.
3182	. 9 Did Colonel North ever mention anything to you on
3183	this?
3184	. À No.
3185	. 9 In your conversations with Hr. North, Colonel
3186	North, Mr. McFarlane or Mr. Cannistrare, did you ever discuss
3187	the tax deductibility of any contributions that might be



UNCLASSIFIED 134 NAME: HIR253000 3188| made to A I don't recall ever discussing those details with 3189 3190 them. I didn't -- it wasn't their business, wasn't their 3191 profession as far as I was concerned. That was me in my 3192 role as a private citizen who knew about tax deductible 3193 contributions. 2 And in that role, knowing about that, you were aware of the tax deductibility -- would be an incentive for 3195 3196 someone to make a contribution. A It would to yes. I thought it would 3198 be. 3199 An incentive to or incentive to the 3200 contributor? A To the contributor, but of course we figure there 3201 3202 may be others who wouldn't particularly want to. That is 3203 why there were two different accounts. You did discuss the tax deductibility with Mr. 3204 3205 Miller. 3206 Yes, sir. You talk about two different ways to do it. 3207 3208 Yes. You said there may be people who might not want to 3209 3210 take tax deductions for it. Why did you assume that. . 1 I don't know. I, just in case there was somebody 3211 3212 to do it, I wanted to have a way to do it. I wasn't

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planning to make the solicitations, but it was just an 3214 option.

. Q Was there anything about the contribution that led 3215

3216 you to believe it might not be tax deductible?

3217 No, it wasn't that it was to tax deductible,

quickly at hand the mechanism for doing this. Actually, Mr. 3218

Miller did not give me details until I said we actually had

3220 somebody who wanted to actually make the contribution.

2 It is a little bit perplexing to me a bit that you 3222 would have two avenues of making the same contribution, one

3223 that would--only difference being one tax deductible and one

3224 not tax deductible.

3221

I have never been fortunate to be in a position to

3226 worry about whether to make that determination, whether to

3227 make a contribution tax deductible or not. I understand

some people who are in that position do have reasons why

3229 they chose to do it. I can't tell you why they do it. All

3230 I know they like to do that.

In other words, you say there are some people who

3232 prefer not to take the tax deduction?

3233 A I don't know if they can take it. I don't know the

3234 mechanism that you use to take or not take tax deductions.

3235 I just don't know the reasons why.

3236 . Q Did you ever discuss tax deductibility of these

3237 contributions with Mr. Slease?

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32381	. A 0	ther than to say we had a tax deductible way and
3239		uctible way, no.
3240		id you discuss why there were two ways?
3241	. A N	
3242	. Q D	id you ever have any contact with Mr. Miller's
3243	partner, F	rank Gomez?
3244		don't believe I have met him.
3245	. 2 D	id you ever meet an individual by the name of
3246	Kevin Katk	e?
3247	. а ж	ot to my knowledge.
3248	. 2 W	ara you ever asked by Hr. Slease or anyone alse
3249	associated	with these contributions to
3250		to supply or obtain documentation to support
3251	a tax dedu	ction for the contribution?
3252	. A W	ho asked me?
3253	. Q D	id anyone associated with these contributions ever
3254	ask you fo	r documentation that might support a tax deduction
3255	under thes	e contributions? Did they ask for an IRS letter
3256	of determi	nation for 501(o)3 corporation? Did you ever act
3257	as conduit	for any kind of information?
3258	. а х	ot to the contributors. I had no contact with the
3259	contributo	rs. To this day, I have not met any people who
3260	contribute	d to this.
3261	. а н	ow about to Mr. Slease or Meritage Foundation?
3262	. A W	ell, theyI don't know how theywith Mr. Slease,
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UNCLASSIFIED he just asked me if I thought--I said the institute was tax deductible. There as such an institute, and it was tax deductible. He accepted my word. 3265 3266 And on what did you base --3267 He seemed to accept my word. He didn't challenge 3268 it. 3269 Did he ask for documentation? 3270 I don't recall him asking for documentation. 3271 fair to him I think he would assume that I am responsible, 3272 and that I would have had some reason to believe that this 3273 was a tax deductible -- this was a foundation or entity that 3274 qualified to receive tax deductible funds. Did you ever ask Colonel Korth or anyone else why 3275 the contribution wasn't made directly to 3276 3277 3278 Well, to me it was obvious why. I didn't ask. 1 3279 was obvious 3280 3281 3282 3283 3284 3285 3286 I don't have any further questions. 3287 BY MR. OLIVER:

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3288	. е	Mr. Godson, do you know whether in fact the money
3289	_	ually reached
3290		Xo.
3291		Did you ever ask anyone whether or not it reached
3292		———
3293		I assumed from the fact that
3294		HR. SILBERT: The question is
3295	•	THE WITHESS: The answer is no.
3296		BY MR. OLIVER:
3297	. 2	Did Colonel North or Rich Miller tell you that this
3298	IC accoun	nt which they collected to have checks made out, did
3299	they tel:	l you that that was
3300		No.
3301	. 2	Were you aware that the principals on that account
3302	were Mr.	Miller and Mr. Gomez?
3303	. 1	No, I didn't know who, don't even know what the
3304	word pri	ncipal means. I just assumed Miller controlled the
3305	account.	
3306	, 2	So it is possible that the money could have gone
3307	elsewher	other than
3308	that acc	ount?
3309		It is possible.
3310	. 9	Is it possible that the money could have gone to
3311	Lake Res	ources from that account?
3312		MR. SILBERT: Excuse me.
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NAME:	HIR253000 UNCLASSIFIED
3313	
3314	
3315	from that account to Lake Resources?
3316	. THE WITNESS: No, I don't.
3317	. MR. OLIVER: I would like to ask the reporter to
3318	make this Godson Exhibit 4.
3319	[The document was marked as Deposition Exhibit
3320	Number 4.]
3321	. MR. OLIVER: I show the document to the witness.
3322	. BY MR. OLIVER:
3323	. 9 Mr. Godson, this is a declassified copy of Oliver
3324	North's handwritten notes. On the first line it refers to
3325	meeting with Rich, then below that it says Mario Calero is
3326	speaking toit says, ''Roy Godson re European dollars.''
3327	. Do you know what that is in reference to?
3328	. A Off the record.
3329	. [Discussion held off the record.]
3330	. MR. OLIVER: Back on the record.
3331	. THE WITHESS: I haven't the slightest.
3332	. BY MR. OLIVER:
3333	. Q Did you ever discuss with Colonel Morth your
3334	European fund#raising for any of the projects that he was
3335	involved in?
3336	. A I don't recall ever discussing that, recall
3337	discussing with North any of the projects that he was

3338	engaged in? UNCLASSIFIED
3339	· · · · · · · · · · · · · · · · · · ·
3340	. A No.
3341	. Q These notes are from his
3342	. A I don't recall any discussions.
3343	. Q Did you ever attempt to raise any money in Europe
3344	from European institutions or from European individuals for
3345	any projects or activities associated with the Micaraguan
3346	resistance.
3347	. A No, I did not.
3348	. MR. OLIVER: I would like to ask the reporter to
3349	mark that as Exhibit Number Godson Exhibit Number 5.
3350	. [The document was marked as Deposition Number 5.]
3351	. BY MR. OLIVER:
335.2	. Q ThisMr. Godson, this is another page from Oliver
3353	North's notebooks, dated September 17, 1985. Toward the
3354	bottom of the page, there is several boxes, and the middle
3355	one says, ''Godson to slip deadlinges.''
3356	. Do you know what that is in reference to?
3357	. A No, we are taking your word that that is what it
3358	says. It is completely illegible to me:
3359	. 9 I will verify that it says to slip deadlines in the
3360	original copy.
3361	. 9 Did you have any discussions with Oliver North
3362	ragarding a timetable for the \$40,000 a month that you were

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3363	attempting to raise for
3364	. A It was \$20,000.
3365	[Counsel conferring with witness.]
3366	. MR. SILBERT: If you don't know.
3367	. THE WITNESS: I certainly don't know what that
3368	refers to.
3369	. BY MR. OLIVER:
3370	Q Did you make a commitment or have a discussion with
3371	Colonel North about when these funds would be available.
3372	. A Mever a commitment or I said I would try to meet
3373	that, those amounts I would try.
3374	. Q Do you recall whether or not in September of 1985,
3375	you were attempting to raise funds for Colonel North's
3376	projects at is request?
3377	. MR. SILBERT: For
3378	. THE WITNESS: was embodied at
3379	that time. That was the only time he asked me to do that.
3380	. BY MR. OLIVER:
3381	. Q Was that in this time period?
3382	. A I thinkI don't have exact recall, but, yes, it is
3383	quite possible.
3384	. 9 You have no recollection about a discussion with
3385	him about slipping deadlines?



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3388 mark this as Godson Exhibit Number 6. 3389 [The document referred to was marked as Exhibit 3390 Number 6 for identification.] BY MR. OLIVER: Q I ask the witness to look at this document. This 3392 3393 is, again, a copy of a page from Oliver North's notebook and on about January there is an entry there says, ''Public 3395 diplomacy, " and there are four entries before that. Your name appears there, and then at the bottom of the page it 3396 3397 says, ''Call Miller are Godson.'' My first question is, were you involved in the 3398 3399 public diplomacy program that was being coordinated by the 3400 White House? 3401 A On Central America? Afghan? Q Yes. 3402 No, to my knowledge, no. When I say I was not 3404 participating in it to my knowledge, somebody else may have 3405 interpreted I may have been, but I wasn't. 3406 2 Do you have any idea what that reference is to? A Ko, I am afraid I don't. What was the date? 3407 2 January 6. 3408 3409 MR. SILBERT: What year? MR. OLIVER: I believe it is 1985, but, it is not 3411 marked on that tape, but -- I am not sure.

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BY MR. OLIVER:

3412

UNCLASSIFIED NAME: HIR253000 ll, my question, do you remember discussing 3414 public diplomacy with Colonel North? 3415 No. 3416 2 Do you know why there would be an entry there 3417 referring to calling Milller are Godson. I don't know other than the reasons we have 3419 discussed here before. 3420 . Q Did Colonel North ever discuss with you a request 3421 from Spitz Channel or any of his organization to seek your 3422 advice regarding setting up an international foundation. 3423 . A No, he did not. . Q Did he ever request--did he ever discuss with you 3425 Spitz Channel's organization? I am referring to Colonel 3426 North. . A I don't recall any discussion with Colonel North on 3428 this subject at all. . 2 After the April 1985 Jamaica Youth Conference, was 3430 there a debt from the expenses of the conference that you or 3431 any of the people who participated in the conference as your 3432 associates felt an obligation to pay, a financial debt? . A I don't know. I don't recall any. I once knew, I

3436 . 9 Were you aware of an audit of the International
3437 Youth Conference carried out by Coopers and by brand in 1985.

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3434 suspect, but I have forgotten. It is not something I work

3435 on. It is too many years.

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3438	. A	I knew there was an audit by somebody.
3439	. 2	Did you ever receive a copy of that audit?
3440	. а	I personally did not.
3441	2	Did you ever see a copy of the audit?
3442	. а	I think the first time I saw the copy of the audit
3443	I think w	as when I found out that your investigators had
3444	visited E	arl Silbert's office and been interested in that
3445	audit. I	don't recall seeing it before that time.
3446	. 2	That audit was in your files?
3447	. А	Apparently.
3448	. 9	Are you familiar with an organization called the
3449	Internati	onal Youth Trust Jamaica Limited?
3450	. а	I am not familiar with it.
3451	. 2	You indicated earlier that you had signed a
3452	contract	with the National Security Council for your
3453	consultar	cy; is that correct?
3454	. А	Correct.
3455	. 2	Was that a renewable contract that had to be
3456	renewed a	nnually or was it a contract that ran from the
3457	beginning	of your consultancy until the end?
3458		I think it is the latter.
3459	. 2	Did you, in order to be paid, have to submit a

- 3459 . Q Did you, in order to be paid, have to submit a
- 8460 voucher for the services performed?
- 3461 . A I submitted hours, hours that I worked, yas.
- 3462 . 2 Did that include a description of what you worked

NAME: 3463	HIR253000 UNGLASSIFIED PAGE 145
3464	. A No, it did not, just included the number of hours.
3465	. 2 Were you a member of the CIA transition team in
3466	1980?
3467	. A Yes.
3468	. 2 How did you happen to become a member of the CIA
3469	transition team?
3470	MR. SILBERT: Unless I hear an explanation as to
3471	how that relates to this inquiry, I am going to direct him
3472	not to answer.
3473	. MR. OLIVER: Well, Mr. Silbert, the director of
3474	CIÀ, Mr. Casey, was a prime player in this drama and the
3475	individuals with whom Mr. Godson was associated at the
3476	National Security Council were members of the Intelligence
3477	Directorate. A number of the activities that have been
3478	discussed here have a relationship to CIA activities, at
3479	least indirectly, and what I am trying to do is to lay a
3480	foundation for questions relating to his association with
3481	the CIA, which was, as you know, involved in the transfers
3482	of arms to Iran.
3483	. That is the purpose of my question was to lay a
3484	foundation for those questions.
3485	
3486	is I don't know whether it relates to qualified material or
3487	not, but in as far as anything that Godson did involving

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3488	classified material, I have never discussed it with him, as
3489	I have said, repeatedly during this meeting. I know nothin
3490	about what he did, if it involves classified activity,
3491	unless I get a clearance I am going to advise him not to
3492	answer it, because he is not going to testify about matters
3493	I have not discussed with him.
3494	. MR. OLIVER: I believe we discussed this very
3495	subject during the interview in Mr. Fryman's office some
3496	weeks ago. There was no objection raised.
3497	. MR. SILBERT: Well, an informal conversation is on
3498	thing. This is a deposition.
3499	. MR. OLIVER: Are you directing the witness not to
3500	answer the question?
3501	. MR. SILBERT: If the answer in any way relates to
3502	classifiad materialI don't mind asking him, of course,
3503	about the activities that he did; how you got selected. I
3504	will direct him not to answer that question. I think that
3505	gets into his own personal political private affairs beyond
3506	• • • • • • • • • • • • • • • • • • • •
3507	
3508	·
	answer?
3510	. MR. SILBERT: Correct.

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3513 . A Around the time I was in the transition team.

3514 . Q Did you have any association with Walt Raymond from

3515 that period of time, professional association, I mean from

3516 that period of time until the time that you became

3517 consultant to the Security Council?

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RPTS CANTOR DCMM MILTON

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3520 [3:00]

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MR. SILBERT: I think that is an area as I understand it, not that he can tell me, other than give conclusory statement, that does get into CIA/related, or may get into CIA-related matters that I have never discussed with him, and he has not discussed with me because I don't think he is able to. He is not to answer the question, not 3528 confirming or denying that he had any relationship during that period of time. MR. OLIVER: You are directing him not to answer the question based on your consultation with him? MR. SILBERT: Yes, and so you understand, one, I

have some real questions about relevance, but understand that my real concern is the potential classified nature of the inquiry, and the fact that I am not cleared, I have no clearance, have never discussed any such subject with Mr. Godson. I just want to make clear for the record hara that I don't know whether it is classified or not. certainly do not want to confirm or deny any prior relationship.

3541 BY MR. OLIVER:

> ·Q Mr. Godson, after you became a consultant to the

UNCLASSIFIED PAGE 14.

(AME:	HIR253000 VITULAUUII ILU PAGE 149
3543	National Security Council, did you discuss with Walt Raymond
3544	a project to secure private-sector funding for Central
3545	American public diplomacy activities?
3546	. MR. SILBERT: I really should have left 20 minutes
3547	ago. I will stay five more minutes, and then I'm going to
3548	have to leave. If we have to reschedule, we will
3549	reschedule.
3550	. MR. OLIVER: I would like to mark as Godson Exhibit
3551	No. 7 a document on National Security Council stationery,
3552	which bears committee identification No. N-33440, and ask
3553	the reporter to mark that exhibit.
3554	. [The following document was marked as Godson
3555	Deposition Exhibit 7 for identification:
3556	. BY MR. OLIVER:
3557	. Q I would like to ask Mr. Godson to examine that
3558	document.
3559	. [Discussion off the record.]
3560	. MR. OLIVER: Back on the record.
3561	. BY MR. OLIVER:
3562	. Q Mr. Godson, that is a White House memorandum
3563	related to Central American private-sector funding. There
3564	is a paragraph there that refers to conversations that Mr.

UNCLASSIFIED

Raymond had with you about funding. In examining that document, do you recall those discussions with Mr. Raymond?

I recall having discussions with Mr. Raymond

UNCLASSIFIED NAME: KIR253000 vaguely. This was not something that I regarded as a major priority or project for me, and A I vaguely recall this conversation, but I did not spend almost any time on Central 3570 American matters. 3571 3572 Were you involved in any way in assisting Mr. 3573 Raymond with acquiring private-sector funds for Central 3574 American public diplomacy programs? 3575 A I certainly was not involved in assisting Mr. Raymond in any way in acquiring funds as part of my NSC 3576 3577 responsibilities. 3578 Were you involved in any way other than your MSC 3579 responsibilities? I don't recall almost any project relating to 3580 3581 Central America. There may have been one or two, but it is 3582 not something that I regarded as a major priority for 3583 myself. 2 Do you recall, Mr. Godson, ever leaving a message 3584 3585 on the 9th of January, 1986, for Admiral Poindexter, who at 3586 that time was the deputy--No, I think by that time he had become the National 3587

UNCLASSIFIED

Admiral Poindexter, I never personally set up my

Where you indicated there might be an attack on him

A I did not leave that message. My appointments with

3588 Security Adviser.

3590 in the press soon?

3591

3592

PAGE 151 appointments. I don't recall personally having left that 3594 message. Normally it would have been one secretary to 3595 another that I was dealing with. I would have asked Mr. 3596 DeGraffenreid's secretary who set up the meetings usually. I do recall having requested the meeting, a meeting, whether 3597 it was for that day or not, and I recall that. 3598 3599 Do you remember having such a meeting or having 3600 such discussion with Admiral Poindexter? 3601 About?

3602 . 2 About an attack on him in the press?

3603 . A The word ''attack'' is not correct. We talked
3604 about the press, his general views about meeting with the
3605 press, and the word ''attack,'' as I said, it was not my
3606 term and I suspect it was a secretary who interpreted, one
3607 secretary interpreting to another.

3608 . I was concerned that the Admiral maintain some
3609 contacts with the press, that he have contact with the
3610 press, and I was encouraging him to do that, and I thought
3611 that this would lead to him better able to explain what he
3612 was trying to do.

3613 . Q Did you ever talk to him or did you ever seek to 3614 talk to him about handling accounts?

3616

3617

. A Yes. The references to accounts in that discussion is as the Admiral remembered it when Congressman Fascell asked him the question. The word ''accounts'' refers to

HAME:	HIR253000 PAGE 152
3618	different projects, like in assisting agency we use the same
3619	word at the Mational Strategy Information center. People
3620	have different accounts. Some people deal with businessmen,
3621	some with trade unions, some with lawyers, some with youth,
3622	and that is what that referred to, and I was asking the
3623	Admiral who did he want me to be responsible to to inform
3624	me, as I was the consultant to the Mational Security Adviser
3625	and as he was the former deputy and now he was the new
3626	National Security Adviser, whom should I make my main point
3627	of contact to know about all my accounts. That is the
3628	reference to the term ''accounts'' there.
3629	. 2 It did not refer to bank accounts in any way?
3630	. A It did not refer to bank accounts in any way.
3631	. Q Did you ever tell Admiral Poindexter about your
3632	fund-raising activities on behalf of
3633	. A No, I did not.
3634	. 2 Did you ever tell anyone else in the White House or
3635	the National Security Council about these activities other
3636	than Colonel North, Mr. Cannistrary, whom you said you
3637	thought was aware of it?
3638	. A And McFerlane to the extent he was present at that
3639	meeting, just at that one meeting. No, I did not discuss it
3640	with anyone else. I regarded it as something that should be
3641	kept discrete.



UNCLASSIFIED 3643 acquire congressional funding for the democratic resistance 3644 with any of the organizations that were involved in the 3645 Central American freedom program? Are you familiar with the 3646 Central American freedom program? 3647 2 Do you know Dan Kuykendall? 3648 3649 A No. . 2 Do you know Bruce Cameron? 3650 . A I don't think so. 3651 . 2 Do you know Penn Kimble? 3652 3653 . 2 Did you ever discuss with Penn Kimble his 3654 3655 activities in relationship to congressional funding for the 3656 democratic resistance? 3657 . A No. 2 Here you aware that Mr. Kamble and Bruce Cameron 3658 3659 took control of an organization called IDEA, which was 3660 headed by Rob Owen, later became the Center for Democracy in 3661 the Americas? A Ko, I don't know it, and if it is so now, you are 3662 3663 informing me for the first time. 3664 2 Were you aware of any other individual in the 3665 Kational Security Council or associated with the National 3666 Security Council as consultants who were asked by Colonel 3667 North to raise funds for

UNCLASSIFIED ""

For any other activities in Central America or

3670	related to the democratic resistance?
3671	. A Did I have any information about any other
3672	individuals?
3673	. Ω Yes.
3674	. A No, I don't think so. Central America, I repeat,
3675	was not an area of my major concern.
3676	. Q You indicated earlier that you had known about the
3677	Institute for Morth-South Issues you thought from the
3678	National Endowment for Democracy, the fact that they had a
3679	. A I had been interested in the work of the Mational
3680	Endowment for Democracy. Generally, I think I reviewed
3681	their reports.
3682	. Q So that is how you think that came into your view?
3683	. A I think so.
3684	. Q You indicated you had set up I believe a
3685	foundation, a 501(c)(3) foundation, within the last year and
3686	a half.
3687	. MR. SILBERT: I think he said in the last year.
3688	. BY MR. OLIVER:
3689	. Q In the last year?
3690	. A We are in the process of acquiring charity status.
3691	I can't remember the exact legal terminology for a 501(c)(3)
3692	organization. Correct.

XAME:	HIR253000	UNCLASSIFIED PAGE 155
3693	. 9	Did that entity receive any substantial funds?
3694		MR. SILBERT: What is the relevance of that
3695	question	•
3696		BY MR. OLIVER:
3697	. 2	Did that entity receive any substantial funds that
3698	were con	nected in any way with Central America or the
3699	democrati	c resistance?
3700	. A	No.
3701	. 2	Did you ever meet John Donahue?
3702	. 1	No. I already said that. I have answered that
3703	question.	
3704	. 2 1	o you know whether Mr. John Donahue knew that the
3705	contribut	cion that he was making to Heritage was for
3706		3.
3707	. A	We are talking about the John Donahue, I assume
3708	it's the	same man.
3709	. 2	The \$100,000 contribution.
3710	. 1	That person in the Heritage Foundation, yes. I
3711	don't kno	ow. I didn't talk to him. I have never talked to
3712	him, to m	ny knowledge.
3713	. 2	But you did request that the President send him a
3714	letter?	
3715	. 1	I asked Colonel North if the President could send
3716	him a le	ter, yes.
3717	. 2	So you knew who he was?



NAME: HIR253000 3719 Did you participate in any way in the drafting or 3720 suggesting language for the drafting of the letter to Mr. 3721 Donahue? 3722 I could have. I don't recall. It wasn't major. 3723 MR. OLIVER: I would like to ask the reporter to 3724 mark this as Godson Exhibit No. 8, and to show it to the 3725 witness. 3726 [The following document was marked as Godson Deposition Exhibit 8 for identification: } 3727 BY MR. OLIVER: 3728 3729 0 Have you had an opportunity to examine the 3730 document? This is a memorandum on National Security Council 3731 stationery dated October 9, 1985, from Oliver North to Robert McFarlane, subject, ''Presidential Letter to Mr. 3732 3733 Donahue, ' the committee identification number is N-30482. 3734 Mr. Godson, in the substantive paragraph on the first page of that exhibit, which is requesting that the 3735 3736 President sign the letter to Mr. Donahue, it says that the 3737 President's letter thanks Mr. Donahue for his support and 3738 encouragement of our policies in Central America. ''This

3741 . Do you recall that commitment being made to you?

3742 . A No, I don't recall a commitment being made to me at

letter fulfills a commitment we made to Dr. Godson during

UNCLASSIFIED

our discussions last month. "

3739

3740

	INO ADDITION
HAME:	HIR253000 JNCLASSIFID PAGE 157
3743	all. I wouldn't have known Mr. Donahue's name at that
3744	point.
3745	. Q Didn't you request that this letter be sent?
3746	. A The only time I had met with Mr. McFarlane, and
3747	this is a letter from North to McFarlane requesting that we
3748	make a commitment, at the time I met with them to discuss
3749	this, no commitment was made to send any letter.
3750	. Q But does this memorandum reflect your request to
3751	Colonel North that a letter be sent to Mr. Donahue?
3752	. A I think it reflects my request to the Colonel.
3753	. 9 Did you indicate to Colonel North what the
3754	substance of that letter ought to be?
3755	. A I could have.
3756	. 9 Did you mention to him that he should be thanked
3757	for the contribution he made to
3758	. A No, I wouldn't have phrased itI mean I did not say
3759	that.
3760	. Q But it's your understanding that Mr. Donahue knew
3761	that a contribution was
3762	
3763	. MR. SILBERT: I think the witness has testified
3764	about five times he has never talked to Mr. Donahue, so how
3765	he could have an understanding of what Mr. Donahue
3766	understood is a little beyond my comprehension.
3767	. BY MR. OLIVER:

NAME:	HIR253000 NO ACCIFIED PAGE 158
3768	Did Mr. Slease tell you that Mr. Donahue thought h
3769	was making a contribution to
3770	
3771	. A Yes.
3772	. 2 Did you tell Colonel North that Mr. Donahue had
3773	made a contribution to
3774	. A At the point where I requested the letter, I said
3775	Mr. Donahue has made a contribution. Can we send him a
3776	letter. Mr. Slease asked if we could send him a letter to
3777	indicate that money is going to where it's supposed to go.
3778	. Q Did you provide Colonel North with the name and
3779	address?
3780	. A I assume I did.
3781	. MR. OLIVER: I have no further questions, Mr.
3782	Godson. Thank you very much for your patience.
3783	. {Whereupon, at 3:20 p.m., the deposition was
3784	adjourned.]
- (

LAW OFFICES

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"MOT ADMITTED IN D. C.

September 8, 1987

BUITE 300 EAST 1025 THOMAS JEFFERSON STREET, N. W. WASHINGTON, D. C. 20007

965-7910

TELECOPIER 202-337-0676

TELEX 897007

I DEPOSTION

The Honorable Lee H. Hamilton Chairman, House Select Committee to Investigate Covert Arms Transactions With Iran 2187 Rayburn House Office Building Washington, D.C. 20515-1409

Attention:

John W. Nields, Jr., Esquire Chief Counsel, House Select Committee to Investigate Covert Arms Transactions with Iran H-419, The Capitol Washington, D.C. 20515

Thomas Fryman, Esquire
Counsel, House Select Committee
to Investigate Covert Arms Transactions with Iran
H-419, The Capitol
Washington, D.C. 20515

Re: Deposition of Roy Godson

Dear Messrs. Nields and Fryman:

The Select Committee has requested Professor Godson to appear for a deposition on Thursday, September 10th. As a continuation of his cooperation with the Committee, Professor Godson has agreed to appear. He previously had voluntarily appeared, upon request, for a lengthy interview by staff of the Committee.

Mr. Fryman informed me that the deposition will cover two areas: fundraising for a charitable entity in Central America

The Honorable Lee H. Hamilton September 8, 1987 Page 2

and "Switzerland." The purpose of this letter is to confirm this representation. At Mr. Godson's interview, many questions were asked him that regrettably far exceeded the legitimate scope of the Select Committee's mandate of responsibility. They had nothing to do with what Chairman Hamilton has described as the "two policies [which] led to the inquiry: The arms sales to Iran, and the diversion of funds from those sales to the Nicaraguan contras." Washington Report, Congressman Lee Hamilton, August 19, 1987.

Mr. Godson, in a spirit of cooperation, responded to all the irrelevant questions at his interview, questions which also grossly invaded his privacy. During the meeting, Professor Godson was assured by Committee counsel that the interview was confidential and disclosure by those present was not permitted. Despite this explicit assurance of the confidentiality of the interview, any questioning of Professor Godson at his deposition that is irrelevant to the specific responsibilities of the Committee is obviously unacceptable since this deposition becomes part of the record of the Committee's proceedings. See Rule 7.5, Rules of the Select Committee.

With respect to questions about fundraising for a charitable entity in Central America the Committee is aware from Professor Godson's interview that to his knowledge and belief, this had absolutely nothing to do with diversion of Iran arms sales' funds to the Contras. Professor Godson is very concerned about any dissemination of information that might jeopardize the sensitive, delicate position of the recipient of these funds. He assumes and expects that the Committee's questions to him on this subject will reflect that it shares his concerns.

As to Switzerland, from Professor Godsons' interview, the Committee is aware that to the best of Professor Godson's knowledge and belief, he was not involved in any activities that relate to the policies identified by the Chairman in his August 19, 1987 Report. He will not object to appropriately tailored questions that seek to have his best recollections placed under oath. Open-ended questions that go beyond whether his educational activities did relate to the policies as described by the Chairman and which seek details of his activities in Switzerland, activities having no relationship to these policies would, of course, be inappropriate.

The Honorable Lee H. Hamilton September 8, 1987 Page 3

I assume that the Committee agrees with the general ground rules and understandings set forth in this letter. If not, please advise me by the close of business on Wednesday, Septmber 9, 1987, in order to try to work out misunderstandings before the deposition.

Sincerely,
Eurl/elbert

Earl J. Silbert

EJS/ab

LEF H. HAMM, TON, INDIANA, CHAIRMAN DANTE B. FASCELL, FLORIDA, VICE CHAIRMAN THOMAS S. FOLLY, WASHINGTON PETER W. RODWING, JR., NEW JERSEY JACK BROOKS, TEVAS LOUIS STOKES, OND LES ASPIN, WISSCONSIN EDWAND P. BOLAND, MASSACHUSETTS ED JEMKINS, GEORGIA

JOHN W. MELDS, JR., CHIEF COUNSEL W. MEIL EGGLESTON, DEPUTY CHIEF COUNSEL

U.S. HOUSE OF REPRESENTATIVES

SELECT COMMITTEE TO INVESTIGATE

COVERT ARMS TRANSACTIONS WITH IRAN
UNITED STATES CAPITOL
WASHINGTON, DC 20515
(202) 225-7902

THOMAS R. SMEETON, MINORITY STAFF DIRECTOR GEORGE VAN CLEVE, CHIEF MINORITY COUNSEL RICHARD LEON, DEPUTY CHIEF MINORITY COUNSEL

> DEPOSITION EXHIBIT

September 9, 1987

Earl J. Silbert, Esq. Schwalb, Donnenfeld, Bray & Silbert Suite 300 East 1025 Thomas Jefferson Street, NW Washington, DC 20007

RE: Deposition of Roy Godson

Dear Mr. Silbert:

I have received your letter of September 8, 1987, concerning the deposition of Roy Godson.

I do not agree with many of your statements about the prior interview of Mr. Godson or about our discussion of the scope of tomorrow's deposition, but I do not see any purpose to be served by arguing about our differences. For your information, the scope of the deposition will be defined by the subject matters of the investigation set forth in House Resolution 12 establishing the House Select Committee. A copy of that resolution is enclosed for your convenience.

Very truly yours,

Thomas Fryman

Thomas Fryman Staff Counsel

Enclosure

cc: Hon. Lee H. Hamilton John W. Nields, Jr., Esq.

Washington Report



CONGRESSMAN LEE HAMILTON

9th DISTRICT, INDIANA

NO. 33

AUGUST 19, 1987

Iran/contra investigation is an appropriate time to respond to some of the most frequently asked questions about the hearings.

WHY WERE THE HEARINGS HELD? The hearings ere held because in the course of the conduct of the government's business something went seriously wrong. Two policies led to the inquiry: The arms wrong. Two policies led to the inquiry: The arms sales to Iran, and the diversion of funds from those sales to the Nicaraguan contras. The first began with a document the President forgot, and the second began without his knowledge. The President's decision to sell arms secretly to Iran contradicted the long-held, widely supported public policy of the United States to make no y of the United States to make no to terrorists, to remain neutral in the Persian Gulf War, and to stop the flow of arms By selling arms to a nation officially to Iran. By selling arms to a nation officers, designated by our government as a terrorist state, major damage was done to U.S. credibility, and serious policy crisis of his presidency.

WHAT WAS THE CENTRAL ISSUE OF THE HEARINGS? central question before the House and Senate select committees has been: Can our constitutional system of shared powers between the Congress and the President be made to work in the formulation and implementation of foreign policy in a dangerous world?

WHY DID THE COMMITTEES HOLD PUBLIC HEARINGS? The committees were created to serve as fact-finding panels and to investigate process failures. The Congress gets information DEOCRES information principally through holding hearings. principally through holding hearings. Although the committees obtained large amounts of evidence through staff work and private depositions, of hearings were held to seem the seem of the hearings were held to contribute to the public understanding of these events and the workings of our system of government. Extremely complex facts had to be analyzed and testimony drawn out of witnesses who often were uncooperative. Because witnesses who often were uncooperative. the task of the committees was to inform rather n prosecute, strict courtroom rules of evidence did not apply, witnesses could be forced to testify if granted limited immunity, and witnesses could consult lawyers before answering questions.

WHAT WERE THE MAJOR CONCLUSIONS OF THE HEARINGS? committees found no "smoking gun" The that President Reagan was involved in evidence soch as engaging in approving the diversion of arms sales money to the oving the diversion of arms sales makey to un-cas. They did show that he allowed his sides carry out secret policies with little vision. The hearings revealed several less with the perticular means chosen by the supervision. Administration to try to achieve its worthy g of freeing the hostages and seeking democracy goals Micaragua: First, there was too little accountability for decisions and actions taken in too little Micaragua: the name of elected officials. A small number of officials made policy outside the democratic process. Second, there was too much secrecy and the name of elected officials. deception in government. Crucial information was eld from the Congress, from important allies, rom the American people. The Secretaries of and from the American people. The Secretaries of Defense and State, and even the President were not informed of major foreign policy initiatives, and were supplied misleading information. Third,

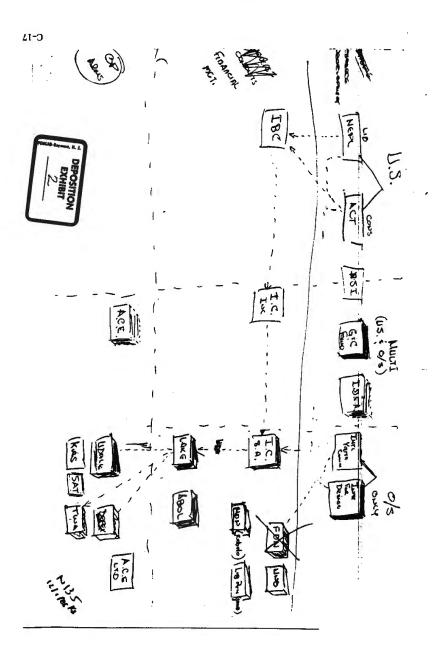
THE IRAN/CONTRA MEARINGS: QUESTIONS AND ANSWERS
The end of the public hearings phase of the too often intelligence estimates were used as a tool to make policy look good, rather than as a tool for making good policy. Fourth, there was too much reliance on private citizens and foreign tool governments to carry out American policy. Fifth covert actions should always be used t supplement, not to contradict, our foreign policy.
They should not be used to impose a foreign policy that the American people do not support. Finally, the Constitution gives important foreign policy-making powers to both the President and the Congress. Our foreign policy cannot succeed unless they work together and trust one another.

> WHAT DID THE HEARINGS ACCOMPLISH? I view the hearings as an essential part of the self-cleansing process of our system of government. Because of the hearings, we can see more clearly needs to be done to make our syste I am encouraged by the President's steps including changing White House personnel, hetter. so far. prohibiting National Security Council members from undertaking covert actions, and promising report covert actions to Congress promptly. encouraging is the cooperation shown between the President and the Congress in the recent Central American peace effort. The hearings should have a lasting impact on the decision-making process, acting as a deterrent to short-cutting the by guess is that it will be a long time before a national security advisor makes a major foreign policy decision without informing the President, policy decision without in as Admiral Poindester did.

> TAHM KEY OURSTIONS REMAIN? unresolved questions are: Does the \$13 million from the arms sales belong to the U.S. nt or private businessmen? Was there a proceeds government or private businessmen? government or private dusinessmen: was there as cover-up in Bovember 1986 when these events began unraveling? What was the extent of third country involvement? What did the President really know? Why did he agree to sell arms to Iran? What created the climate in the White House that led aides to believe secrecy and short-cuts were permitted? What role did CIA director Casey play? The committees will not attempt to resolve all th contradictions in the testimony. The independent counsel appointed by President Reagan is deciding whether criminal actions should be brought against any of the participants. The CIA is investigating hether any of its employees violated the la

> WILL THE COMMITTEES RECOMMEND LEGISLATION? Overall, my sense is that the solution to the problems revealed in the hearings lies less in new structures or new laws than in proper attitudes.
> Although some recommendations will be made, the committees did not design their work to develop legislation. Fundamentally, what we have to do is to return to the constitutional and traditional ways of making decisions.

> HOW MUCH DID THE HEARINGS COST? various efforts were taken to minimize costs, such as holding joint House-Senate hearings and borrowing committee and agency staff, the cost of the congressional investigation will be some \$4 tine congressional investigation will some 34 million, including substantial costs for security. The committees have heard 250 hours of public testimony, and have examined well over 200,000 documents. The committees will complete thair report by October, and then go out of existence.





inicinational Youth Year Commission

1522 K St., N.W., Suite 620 • Washington, D.C. 20005 • (202) 682-9040 • Telex 440636 USYC U

JYYC Jameire Floyd G. Brown Director

July 24, 1984

The Honorable Michael Armacost Under Secretary for Political Affairs United States Department of State 22nd & C Street Washington, D.C. 20520



Dear Mr. Under Secretary:

As the Chairman of the Governing Board of Trustees of the United States International Youth Year Commission, I am writing to express my personal concern over the pending developments involving the International Youth Conference scheduled for Kingston, Jamsica in April of 1985. This conference, primarily supported by the United States government, has taken on the appearance of becoming yet another forum for anti-democractic leftist operating under the guise of balanced representation. Accordingly, I have called an emergency meeting of the Governing Board of Trustees of the United States International Youth Year Commission for Tuesday, August 7, 1984, to review what role, if any, the youth of the United States will take at this conference.

I hold grave reservations over the direction and acope of the youth conference. At this time, there appears to be a systematic attempt to exclude from the structural management of this conference the youth members of the major ruling Parties in the Western democracies. Your office, Mr. Under Secretary, specifically excluded youth leaders with ties to the Reagan Administration from the list of potential members of the Secretariat for the conference that was sent to the Jamaican government. Names of youth leaders from the governments of Margaret Thatcher and Helmut Kohl have been ignored, the youth leaders from the governments of Chiang Ching-kuo and Chun Doo Hwan have been specifically excluded. But most importantly, it is your office and the National Strategy Information Center, under the direction of Dr. Roy Godson, that is making all of the major decisions on behalf of the international democratic youth.

Mr. Under Secretary, this is completely unacceptable. Dr. Roy Godson does not report to the United States International Youth Year Commission, yet he recommends to the Jamaican government the youth to serve on their Secretariat. He holds a dinner meeting in Washington, D.C. for the Chairman of the Jamaican conference, yet fails to inform, much less invite, representatives of the International Youth Year Commission who support the Reagan Administration. Mr. Under Secretary, this is not fairness nor is it balance for the development of an international youth conference on democracy.

The United States International Youth Year Commission, Inc. is the official body recognized by President Reagan and the United States government for the purpose of representing and coordinating all U.S. IYY activities. We currently maintain a membership of 173 national and regional youth and youth serving organizations representing over 50 million young people.

DESIGNATED BY THE U.S. GOVERNMENT AS THE OFFICIAL NON-GOVERNMENTAL COORDINATING ORGANIZATION FOR INTERNATIONAL YOUTH YEAR

July 24, 1984 Under Secretary Armacost

page 2

We work hard to reach balance and accommodation in all of our activities. The utter lack of balance between stated goals and the resulting action in the development of the Jamaican Secretariat is completely contrary to the lofty ideals we have established, and met, for ourselves.

The Jamaican Secretariat is proposed to consist of 18 members, nine Jamaicans and nine youth from the democratic regions around the world. The United States International Youth Year Commission is not allowed to choose its own representative to that board, Dr. Roy Godson has made that decision. Similar non-democratic pratices have excluded conservative European, Central American, African, Australian, and Asian youth from serving on that Secretariat.

I cannot allow my organization to serve as a tool of this government, or Dr. Godson. The current action is nothing but meddling in our internal affairs. The membership of the United States International Youth Year Commission will not places its credibility in the hands of those who choose not to inform us of their actions. We will participate as full partners in any process, but not as puppets.

If the Jamaican conference is to be a propaganda tool for those who do not represent the prevailing philosophies of the majority of the democratically elected governments in this world, then perhaps little reason exists for U.S. participation or financial support.

Mr. Under Secretary, I wish to be clear: there is no desire to overturn the proposed members of the Secretariat, nor do I wish to "run" the conference. However, if I am to recommend to my membership further participation, if we are to "support" this conference in every sense of the word, then changes must be made. Balance between the Left and the Right is a must, but more importantly, this must be a conference of youth, by youth and for youth if it is to suceed. The officers and agents of government are welcome for their advice, but not to select (or be) our leaders.

If you desire additional information, please be assured that I am available at your convience. I look forward to your reply.

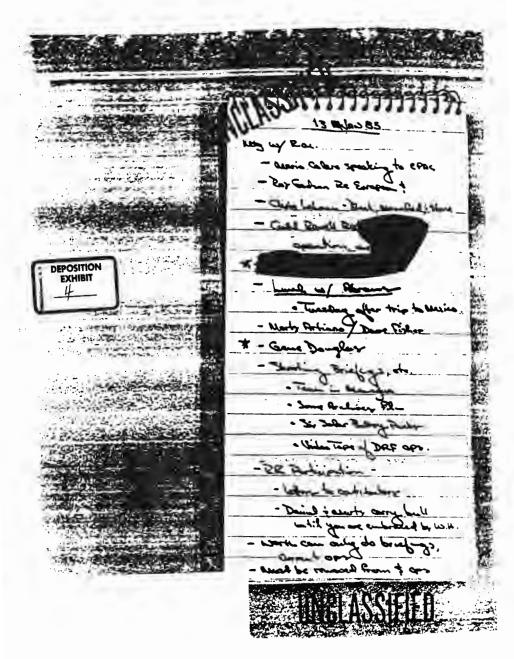
I am, most respectfully yours,

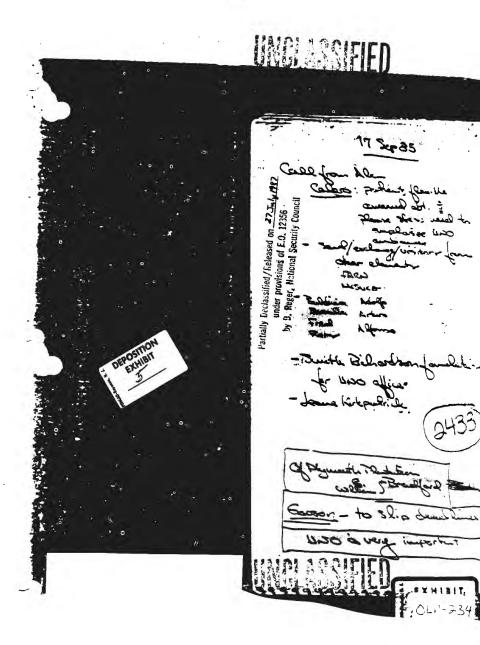
Saniel Cohen
Chairman
Governing Board of Trustees

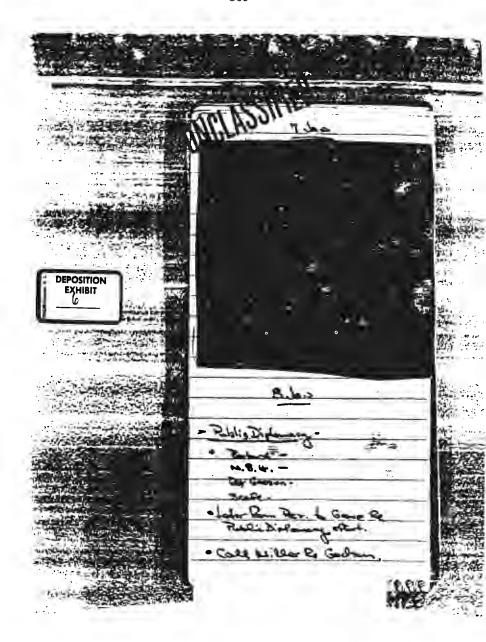
cc: The Honorable Jeane Kirkpatrick, Gregory J. Newell, Robert McFarland, Faith Whittlesey, Governing Board of Trustees.

DLC:kb

BCC: Roy Godson from Floyd Brown Thought you should see this unmediately!







MEMORANDUM

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NATIONAL SECURITY COUNCIL

INFORMATION



August 29, 1983

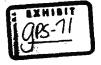
MEMORANDUM FOR JOHN M. POINDEXTER

FROM:

WALTER RAYMOND, JR.

SUBJECT:

Central American Outreach



As you are aware, I continue to get a number of proposals dealing with how we can generate a private sector program to support the President on Central America. A refinement of an earlier proposal from Roger Chapin is attached at Tab II. Chapin had earlier communicated with the Judge. I have sent this to Tony Motley.

Bill Casey called on August 26 and would like to follow up on his idea to have a meeting with five or six key public re-lations specialists. This is referred to in my earlier memorandum. I put him off until after Labor Day.

I think you are right about deflecting this to State. believe that it is, however, going to be quite time consuming, even recognizing that the work done within the Administration has to, by definition, be at arms length. The more I reflect on Gil Robinson's probable move into State as Shultz's public diplomacy coordinator, the more I think he could be the glue diplomacy coordinator, the more I think he could be the glue to put this sort of public-private relationship together. He has done this sort of thing before. He has public relations experience, knows how to operate behind the scenes, has the political connections, and lastly, will be in the right place: The Department of State. I do not think it is overlapping with Motley or Reich. They will be plenty busy doing their regular jobs and will benefit from what Gir could do. You might want to touch on this with the Judge. When I philosophized a bit with Bill Casey (in an effort to get him out of the loop), he was negative about turning the ball over to State, but very positive about someone like Gil Robinson working on the problem from within State.

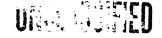
Attachments

My memo, same subj, Aug 9, 83 Chapin memos, Aug 22 £ 19, 83 Tab I

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MEMORANDUM



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INFORMATION

NATIONAL SECURITY COUNCIL

MEMORANDUM FOR WILLIAM P. CLARK

FROM:

WALTER RAYMOND, JR.

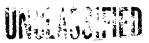
SUBJECT:

Private Sector Support for Central American Program

Several Administration supporters have identified steps which they believe are important to generating public opinion support for our policies in Central America. The various proposals call for the creation of a bipartisan coalition of concerned citizens to generate majority support for the President's policies. This requires detailed informational programs which highlight developments and realities in the region. It also requires programs which are designed to go beyond simply reaching the committed. We must move out into the middle sector of the American public and draw them into the "support" column. A second package of proposals deal with means to market the issue, largely considering steps utilizing public relations specialists—or similar professionals—to help transmit the message.

A quick review of proposals which are known to me include:

- -- A group of public relations specialists met with Bill Casey a few days ago. Faith also met them. The group included Bill Greener, the public affairs head at Philip Morris and two or three others. They "stated" what needed to be done to generate a nation-wide campaign. Several elements were identified. The first, a fund-raising effort under the direction of someone like Walter Wriston. Secondly, an effective communications system inside the Government. The overall purpose would be to sell a "new product"--Central America--by generating interest across-the-spectrum.
- -- A group including Charlie Wick, Faith, myself, Alan Bell (Public Relations) and Tom Korologos (Lobbyist) met to discuss how to get the story out into the countryside. In addition, to traditional speaking tours by USG officials, Presidential statements, etc, the Korologos-Bell proposals focussed on the hiring of a public relations firm. They recommended Ron Nessen. Nessen has subsequently presented a proposal.
- -- Faith subsequently advised Charlie Wick that she has the prospect of funding from the Mellon-Scaife organization (Terry Slease). Slease wants Tom Cantrell, currently number two in congressional relations in the Department of Energy, to run the program. This would rule Nessen out. Slease also speaks of a \$1000 per plate fund raiser to get the activity

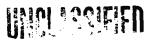


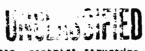
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going. It is not clear whether Cantrell's role is \$33442 tund-raiser or as a political activist. Nor is it clear whether the goal is an "American Coalition" or simply a pressure group. It sounds like an expanded "Outreach Group."

- Roy Godson and I have discussed this and we are concerned that efforts undertaken by Faith's office tend to be confined to preaching to the converted. We recommended funding via Freedom House or some other structure that has credibility in the political center. Wick, via Murdoch, may be able to draw down added funds for this effort. Ron Nessen, or the Wagner-Baroody firm recommended by Cliff White, could be hired by Freedom House.
- -- Dan James. He has the support of Jeane Kirkpatrick, Leo Cherne, Al Burkholder and others. He has submitted a paper which spells out the parameters of the problem. He also wants to include Latin Americans in the activity. His proposal calls for the creation of a bipartisan Americas Coalition. He believes he can get funding from Ross Perot, Clem Stone and others. Evidently Anne Armstrong will make calls for him. James would like to have a fund taising dinner in which Jeane Kirkpartrick has reportedly agreed to be a key note speaker. James is a good publicist but not a particularly good organizer. His role would be in support of a larger effort.
- -- Roger Chapin. He has a similar proposal for a group called Stand Tall America which would generate public knowledge and understanding of the Central American program. Chapin is untested on foreign policy issues although he has a track record of generating public support for causes. He believes the first issue is clarifying the message, examining marketing techniques and then generating a broad popular support base. He would play a support role. Chapin adds that he thinks the only way to mobilize the American people is to make it clear that the Central American issue is a threat because of the Russian involvement.
- -- Les Lenkovsky (Smith-Richardson Foundation) believes that we need to create the equivalent of a "Coalition for the Present Danger" to generate public support. Tom Korologos, in a private conversation, said what one needed to do was to identify a competent activist who would take on the organizational job--this includes principally fund raising, public relations/packaging, substantive input. He said someone like a Bill Greener or a Tom Cantrell might serve. Ultimately, we would want to flesh out the committee to make it suitably non-partisan. Several of the names we considered for the Central American Commission would be very constructive participants.

The above discussion identifies several issues. I think there is consensus that we should strive for the creation of a



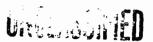


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genuinely bipartisan, centrist structure to generate public support around the issue of Central America. If we agree that we will set up a committee and select an activist to put the thing together most other issues fall in line: fund raising, marketing, substantive input. Many of the people above could play a role within the structure. A central office in the USG should be identified on the principal point with this outside, independent group. This could be the NSC, the White House (Whittlesey) or Otto Reich as Central American public diplomacy coordinator. While it is possible for Faith to be the point of contact, her mandate makes it difficult for her to deal with the media and the Congress, two of the principal audiences for this effort. This might argue for keeping the contact within the public diplomacy context where substantive support could be supplied, as requested.

We need an organizer. I would like to lead with our silver bullet. I recommend that Peter Dailey be asked to put the group together (spend one month) and turn it over to an outside coordinator, such as Bill Greener (or Cantrell).

Coordination: Bob Sims



HSITS - /72 /87

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1 DEPOSITION OF WILLIAM T. GOLDEN 2 Wednesday, May 6, 1987 3 United States Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition Washington, D. C. Deposition of WILLIAM T. GOLDEN, called as a witness by counsel for the Select Committee, at the 10 offices of the Select Committee, Room SH-901, Hart Senate Office Building, Washington, D. C., commencing at 11:14 11 a.m., the witness having been duly sworn by MICHAL ANN

SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

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Partially Declassified/Released on 1/7-8 under provisions of E.O. 12356 by N. Menan, National Security Council

COPY	NO /A OF / COPIES
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1	APPEARANCES:
2	On behalf of the Senate Select Committee on Secret
3	Military Assistance to Iran and the Nicaraguan
4	Opposition:
5	JOHN SAXON, ESQ.
6	Associate Counsel
7	CLARENCE H. ALBRIGHT, JR., ESQ.
8	Associate Counsel
9	On behalf of the House Select Committee to
10	Investigate Covert Arms Transactions with Iran:
11	JOSEPH P. SABA, ESQ.
12	On behalf of the Department of the Army:
13	ROBERT WINCHESTER, ESQ.
14	Special Assistant to the Secretary of the Army
15	for Legislative Affairs
16	COLONEL JOHN WALLACE



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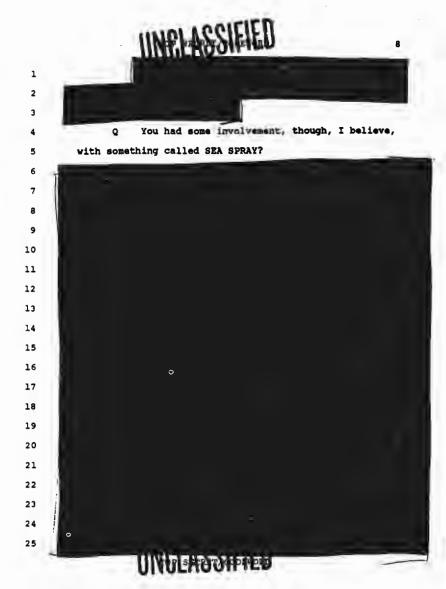
1	PROCEEDINGS
2	Whereupon,
3	WILLIAM T. GOLDEN,
4	called as a witness by counsel on behalf of the Senate
5	Select Committee and having been duly sworn by the Notary
6	Public, was examined and testified as follows:
7	EXAMINATION
8	BY MR. SAXON:
9	Q Mr. Golden, state your full name for us,
10	please, sir?
11	A William Thomas Golden.
12	Q And what is your address?
13	Α (
14	Q You are a retired Army warrant officer; is
15	that correct?
16	A Yes, that's correct.
17	Q What do you do now?
18	A I am a civilian employee of the Department of
19	the Army at Ft. Huachuca, Arizona.
20	Q Tell us, if you would, about what we have come
21	to know as YELLOW FRUIT. If you would, start just with
22	the beginning of your involvement and then, if necessary,
23	back up with the history of YELLOW FRUIT.
24	A Okay. In July of 1983 I was serving in the
25	American Embassay in Managua, Nicaragua, as the Assistant
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Army Attache. I was assigned from there to a project called YELLOW FRUIT under the cover of Business Security International in Annandale, Virginia.

YELLOW FRUIT was an organization that was set



1	Q And what was your position to be? Were you
2	hired to work for BSI?
3	A
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12	Q If you would, tell us what you know to be the
13	origin and genesis of YELLOW FRUIT prior to your
14	involvement.
15	A As I understand it, YELLOW FRUIT was created
16	by the Department of the Army, like I say, to support
17	these clandestine operations.
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Q Tell us about Colonel Dale Duncan	
A Colonel Dale Duncan was the project manager	
The person who prepared the position paper that created YELLOW FRUIT. He was	
Army intelligence major at the time. I think he was	a
promoted to Lieutenant Colonel in August of 1983.	
Colonel Duncan was project manager, like I say, of YEL	LOW
FRUIT when I came on board in the organization. Colonel Duncan ran Business Security	:
colonel pancan lan business security	

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International. It has just been established in Annandale, Virginia. I worked directly for Colonel Duncan. When I arrived in August of 1983, one of the first jobs that I was given was to establish accountability for covert funds that had been advanced to individuals and had been expended by the organization during the time it was created.

During my audit of those funds I discovered what I believed to be irregularities in financial management. I discovered that there was some large-scale fraud on the part of Colonel Duncan and possibly other members of the organization.

We'll come back in a moment to the particulars of what you discovered and how that played out. Let me

ask you to give us a brief description along similar ı lines of Lieutenant Colonel Frederick Bayard.

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Pages 11 and 12

DENIED IN

TOTAL





THE WITNESS: Initially the money was in the form of what we call, I believe, a MIPR. It's just a piece of paper that has a series of numbers. It's called a fund citation in the Army.

BY MR. SAXON: (Resuming)

- Q MIPR is an acronym for --
- A I honestly don't know what the acronym means.
- 22 It's like a check, basically, in the Army.
- 23 COLONEL WALLACE: It's a Military
- 24 Interdepartmental Purchase Request.
 - THE WITNESS: Okay. It's a strange name, I



know, but it's just a piece of paper and it is recognized in all the military departments. In other words, if you are doing a project, you are a project manager and they send you money to do your project, that's the form it comes in in the white world, in the real Army.

Pages 15 to 19

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TOTAL



Q Let's get into that now, then. Give us the exact sequence of how the investigation got started. You say it was triggered by the annual audit that was to be done of BSI?

A It wasn't really triggered by that. That was a part of it. The morning of the audit Colonel Duncan had never turned in any vouchers to me. Everyone else in the organization had. He didn't want to turn them in to me for some reason. I couldn't figure out why. On the morning of the audit he did present me with some receipts.

Q This would have been when?

1	A This was on I believe it was sometime in
2	August.
3	Q Of 1983?
4	A No. It was on the first of September, I
5	believe, somewhere around that time frame.
6	The receipts that he turned in to me did not
7	appear to be authentic, and so once the audit failed
8	Colonel Duncan, Mr. Patterson and their wives went to
9	Europe on what they told me was a vacation. And after
10	they had departed I had paid an American Express bill
11	that was set up for government use for \$9,600 in plane
12	tickets, which the receipts had been taken out of the
13	envelope and I had no idea what the bill was I was
14	paying.
15	So I got in touch with American Express and
16	found out where the money had gone to, and it was a
17	travel agency over in Maryland, and I started tracking
18	down the receipts for that expenditure because I needed
19	that for the audit.
20	And what I found was that Colonel Duncan had
21	paid for he, his wife, Mr. Patterson and Mr. Patterson's
22	wife's vacation to Europe out of U. S. Government funds.
23	So then I started looking at the receipts that Colonel
24	Duncan had turned in to me, and started calling the

companies these receipts were from. One of them was for

\$33,000, the other was for \$56,000 for supposedly

purchases of equipment.
And what I found is the receipts were bogus.
They were fabricated receipts basically. So at that
point I prepared a memorandum for Colonel Bayard, who was
in charge during Colonel Duncan's absence, stating what I
had found and what I believed to be gross financial
misconduct on the part of Colonel Duncan, turned it over
to Colonel Bayard, who went to Colonel Longhofer, and
Colonel Longhofer asked me if I would do an investigation
of Colonel Duncan since I was most familiar with the
funds at that time.

I said I would only do that if he would be willing to provide a letter appointing me as an investigating officer because I worked for Colonel Duncan. He was my senior officer, and if I'm going to go an investigation of him as an investigator I wanted it in writing.

So Longhofer agreed to do that. He gave me the letter appointing me as an investigator. I did what I could do between that time and the time Colonel Duncan was to return from Europe, which was September 17, and I provided Colonel Longhofer with a preliminary report of investigation stating what my findings were and what should be properly investigated by the CID Command.

What eventually happened is that when Colonel Duncan came back off his vacation in Europe he was not placed under administrative leave or anything. He was given full access to the BSI offices just as if nothing had happened. He had access to all the evidentiary material that I had stored there, and then I believe on the 21st or 22nd of September Colonel Longhofer called a meeting at CIA headquarters with Colonel Duncan, himself, Bayard, Patterson and myself where he confronted Duncan with the allegations that I had made and stated that there was going to be an investigation.

He was going to appoint Pisen to do the investigation, and he was going to appoint Mr. Patterson to do an investigative audit of the office, which I objected to because I said Patterson's involved in this because he's gone to Europe at government expense and he's part of the investigation. But Patterson said well, I'll pay the money back and that seemed to satisfy Longhofer that that was okay.

So Patterson did his thing at the office there and turned it over to Colonel Longhofer. Then I got a call from Colonel Longhofer saying go home, don't ever come back to the offices again; we'll call you, don't call us type thing.

So myself and Mr. Belcher were fired, sent



home, told to do nothing basically.

MR. SABA: Excuse me if I interrupt. So it's clear, when you say you were fired, do you mean that you were told not to go to the BSI offices?

THE WITNESS: I was told to go home and do absolutely nothing, that I would be called at the right time. So I sat home until my birthday, which was the 14th of October. I remember it very clearly. I got a call from Darlene Rush. She said Colonel Duncan is back; he's in command. He's been placed back in command and you are to show up on Monday morning with your keys to the office, any credit cards you might have -- that type of thing.

So there was a meeting at 1:00 on Monday, the 17th of October. Well, we all showed up and Colonel Duncan stood up and said I have been vindicated of all the allegations made against me and I am now back in command and certain people are going to be fired immediately and the operation is going to be phased out because of all the exposure the unit has had.

And I was the first on his list. And I went in and he said you've got until the first of November to find a job someplace; otherwise I will report you excess to the military personnel center and you will just get an assignment, whatever shakes out. And the same thing with

Mr. Belcher. He was a contract employee and they terminated him right on the spot.

And so I went home and made contact with the FBI and initially they thought I was a nut and they put me in their crank file at the FBI because they had never heard of anything like this before. And I eventually had to get hold of an old friend of mine in the FBI in Albuquerque who knew me very well to vouch for me before they would even talk to me.

So I laid all of this out. I kept copies of most of this stuff and I laid it out for the FBI, which they thought was absolutely incredible. I talked to Ted Greenberg, who was the Assistant U.S. Attorney.

BY MR. SAXON: (Resuming)

- Q Is that in the Eastern District of Virginia?
- A Yes. And then I made contact with Major Ed Frothingham, who was the Staff Judge Advocate at INSCOM, and laid all of this on him. And so what eventually happened is that myself and Mr. Belcher and some of the other people who knew the misconduct that had taken place and that there had been a coverup, they came forth to INSCOM and provided sworn statements on what they knew.
 - Q That would be you, Belcher, Pisen and Kane?
- A I believe so, yes. And eventually there was what I believe they call a 15-6 investigation by General



Peters, who was an Army General, and then he recommended
that there be a further investigation, I believe. I
don't recall exactly the terminology that it was, but all
the people that were accused of wrongdoing that had been
substantiated, they were placed on administrative leave
and an investigation ensued after that.

Q And to your knowledge what ultimately happened to these individuals?

A What ultimately happened was that Colonel
Duncan was indicted by a Federal grand jury on some of
the charges. Ted Greenberg didn't want to try Colonel
Duncan on everything because there was a lot of
classified information going to be involved in the trial,
so he indicted him on some other charges.

Q Dealing with financial irregularity?

A Yes. It was fraud. And then once that happened Colonel Duncan turned around and sued myself, Belcher and Pisen for just a variety of things. He claimed that we had bugged his house, we had illegally surveilled him, we had done just a number of things. And that went on for quite some time.

In the meantime Colonel Duncan went to trial, was convicted in Federal Court, got three years in prison for his crimes. But the law suit kept going. He had sued the Army as well. On the day of trial he dropped

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all of his claims against the individuals -- myself,

Belcher and Pisen -- but maintained his suit against the

Army.

And the way that it turned out, the defense, our defense, never got presented because at the end of their presentation the judge said there wasn't enough evidence for the defense to even put on anything, so he just threw the whole thing out. So that's what happened there.

Then eventually Colonel Longhofer went to trial and was convicted of obstruction of justice and a variety of other crimes and was sentenced initially to two years at hard labor at Ft. Leavenworth, fined \$24,000, and a letter of reprimand, what have you.

Q Did anything happen to Mr. Patterson?

A Nothing happened to Patterson at all.

Eventually Colonel Bayard was court-martialed for financial misconduct. He was convicted. I believe he was given 18 months in prison and a substantial fine. I think it was \$50,000-something. And then eventually three years later Colonel Duncan was court-martialed on, I think it was, 24 felonies. He was convicted of 23 and he was sentenced to ten years at hard-labor, fined over \$500,000, and given the equivalent of a dishonorable discharge. 'For an officer that's called a dismissal from

-	
2	Of course, he's appealed all of these things,
3	with some success, on the criminal side, as I understand
4	in Federal court.
5	MR. SAXON: Let's go off the record a minute.
6	(A discussion was held off the record.)
7	BY MR. ALBRIGHT:
8	Q Did Colonel Longhofer do any traveling while
9	Duncan and Patterson were in Europe when you were
10	conducting your initial investigation?
11	A Yes, he did. I think it was two days before
12	Colonel Duncan and Patterson were scheduled to come back
13	to the U.S. I found out that Colonel Longhofer got on an
14	airplane and flew and met them in Berlin that night and
15	turned around and flew back to Washington the next
16	morning.
17	Q That would have been approximately 16
18	November; is that correct?
19	A He left on I believe he left on the evening
20	of the 15th of September, flew to Berlin, met Patterson
21	and Duncan, and came back on a different airplane the
22	same day that Duncan and Patterson came back. He got
23	back about two hours before Duncan and Patterson.
24	Q Do you know why he made that trip?
25	A I don't know for sure why he made that trip,
	UNCLASSIFIED

_	but I know that Colonel Duncan and Patterson Smelled a
2	rat when they came back. They knew that something was
3	up. So I suspect he flew over and told them what was
4	going on.
5	Q But you have no independent evidence of that?
6	A No.
7	Q Just so the record is clear, the terms
8	and SEA SPRAY are classified terms; is that
9	correct?
10	A The term SEA SPRAY is no longer classified.
11	
12	MR. SAXON: Off the record.
13	(A discussion was held off the record.)
14	BY MR. SAXON: (Resuming)
15	Q Mr. Golden, it is my understanding that the
16	words SEA SPRAY and ISA by themselves are not classified,
17	but when given some description of what those operations
18	and activities involve there is a classification and
19	sensitivity level; is that correct?
20	A Yes. It's Top Secret-SI TS/SI when the
21	description is given.
22	Q I believe you had provided a statement to Army
23	CID that talks about a particular concept paper you
24	recall having read at the time that you were employed by
25	BSI and a part of the YELLOW FRUIT operation; is that
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UNCEASSIFIF 1 correct? A Yes, that's correct. What triggered having your recollection refreshed on that issue? Well, I had mentioned this before back in 1983, I believe, when I was talking with investigators then and with the U.S. Attorney. And basically what happened is I was called by a reporter from CBS News about a Swiss bank account. Q Roughly when was this? 10 11 A Sometime around the first part of April. 12 Of this year? Yes. In fact, I received two calls in 13 December of 1986. I received a call from a reporter from 14 15 CBS News who asked me about YELLOW FRUIT and he wanted to know if there were any foreign bank accounts associated 16 with YELLOW FRUIT, and I referred him to the Public 17 Affairs Officer of the Army and I didn't answer any of 18 his questions. 19 Was that individual Mr. Stringer? 20 I don't believe I remember what his name was. 21 I really don't remember who the guy was. 22 I'm sorry -- Mr. Rosenberg? 23 It could have been and probably was. I just 24

UNCLASSIFIED

don't recall.

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And then in April I got a call from Mr. Rosenberg of CBS News, and he told me that he had independent confirmation through a European source that there was a Swiss bank account that had General Secord, Lieutenant Colonel Oliver North, Mr. Patterson and myself as signators to the account, and again I referred him to the Army Public Affairs Officer.

And at the same time I called Major Frothingham, who is a lawyer in the Army, and apprised him of the situation. Then they asked me to come to Washington to talk about it and they wanted to know if there was a possibility that an account like that could have been established when I was a part of YELLOW FRUIT.



We'll come back to the bank accounts in a moment. One of those plans that you worked on I believe was a concept paper dealing with, among other things, possible diversion of equipment, supplies, arms to the contras from foreign military sales

is that correct?

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- That's correct.
- Tell us what you recall about that paper.



•	a oney. There was a concept paper that was
2	brought to the BSI offices by Colonel Longhofer, I
3	believe. It could have been someone else, but for some
4	reason I believe it was Colonel Longhofer and
5	who brought this to the BSI offices. It was a plan that
6	BSI was going to support in the future. And it was in a
7	little black binder. It was probably maybe 30 or 40
8	pages at most. It didn't have any letterhead stationery
9	It wasn't signed by anyone.
10	It talked to the fact that in the leadoff
11	paragraph it stated that this plan was a contingency pla
12	that would be implemented in the event that funding for
13	the contras was cut off for any reason. It went on to
14	talk about the possibilities of supplying the contras
15	with support
16	Q When you say cut-off, you mean by legislative
17	act?
18	A The plan itself didn't say that, but that is
19	what was talked about in the office was the Boland
20	Amendment. Everybody was worried about the Boland
21	Amendment. It was going to cut off funds for the contra
22	and we would all be out of a job and how are we going to
23	get around this thing.
24	Q And the Boland Amendment was mentioned by
25	name?

1	A Yes, it was. But this plan talked about the
2	various ways of supplying the contras indirectly, and one
3	of the methods that was described was
4	military aid in some form or a military
5	sales program of some type, and it talked to the fact
6	that could be padded with the
7	materials and supplies for the contras, and then it would
8	be given with the understanding under the
9	table that those items that had been padded would be
10	given to the contras
11	It also talked to a supply system that would
12	require aviation assets and that an airfield would have
13	to be constructed in order to support that operation. If
14	talked about two possibilities.
15	Q Let's come back to the airfield in a moment.
16	Do you have any idea why
17	A I have no idea whatsoever.
18	Q Was there anything in the concept paper that
19	would suggest contacted or that this
20	had been explored with
21	A Yes, it was. I believe that that was the
22	case. They had been picked because they were receptive
23	or they would be willing to do this.
24	MR. SABA: Was the specific type of aid
25	discussed?
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1	THE WITNESS: It talked about uniforms. I
2	remember that specifically. It talked about supplying
3	uniforms that would be turned
4	over to the contras. There was a shopping list of items.
5	BY MR. SAXON: (Resuming)
6	Q Were there items on the shopping list that
7	would have been lethal guns, ammunition?
8	A I just do not recall. There could have been,
9	but I just don't know.
10	Q But it clearly would come under the heading of
11	military equipment?
12	A Oh, yeah, absolutely.
13	Q Do you recall any dollar figures being used
14	for either the total amount of the FMS sales
15	or that portion that would have been padded to be
16	diverted to the contras?
17	A I don't recall. It seems like there was
18	discussions of money in this plan, but I don't recall if
19	it had dollar figures or not. It talked about who was
20	going to pay for this and it talked about DOD picking up
21	a big chunk of this, and it was going to be a hard point
22	to sell at DOD, and some of it would be supplied by the
23	Agency and it named various other groups that would
24	supply money somehow to this thing.
25	Q Do you recall what any of those were?
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3	٠,
•	•

2	Q Do you recall the names of any individuals in
3 .	that concept paper who might have been party to putting
4	it together or who would be necessary to actually
5	implement it?
6	A I don't recall if there were any names like
7	that or not. I know that agencies were named. There
8	were names of individuals in the plan itself, but they
9	were dealing primarily with the airfield.
10	Q When you say agencies were named, what do you
11	mean?
12	A Well, like the CIA, Department of Defense,
13	those types of things.
14	Q Was DSAA, Defense Security Assistance Agency,
15	mentioned?
16	A It could have been, but I honestly just don't
17	remember.
18	Q Was the Department of the Army specifically
19	mentioned?
20	A It was mentioned in the context of supporting
21	this plan, the YELLOW FRUIT operation
22	
23	0
24	Q Was there anything at the beginning
25	anywhere in the plan but most likely at the beginning
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1	which gave any indication of its origin, such as
2	"pursuant to discussions" or "as has been tasked" or "as
3	has been requested", et cetera?
4	A I believe the best I can recall there was a
5	draft Finding that was a part of this plan. I don't
6	remember if it was an attachment or in the beginning it
7	talked about a Finding.
8	Q By a Finding do you mean what we have come to
9	think of as a Presidential Finding used in covert
10	operations?
11	A Yes. I believe that's what it was talking
12	about. I believe that's what it was, but I'm not 100
13	percent sure of that. I just remember the word Finding
14	and there was either a draft Finding or there was talk
15	about it in this plan.
16	Q How would you characterize the language in
17	this concept paper?
18	A Well, my background in working with various
19	intelligence agencies for 20 years, I recognize a DOD or
20	an Army plan right off the bat because of the
21	construction of it five-paragraph field order type
22	construction. And all those plans are constructed the
23	same way. This was not done in that way. It was done
24	more in generalities. It was done in the type of thing
25	that I've seen come out of the CIA. It was that type of

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plan, discussed things in general terms.

2	
2	Q Would it be fair to say the inference you drew
3	was that this was not prepared within DA?
4	A I don't believe it was prepared by Army people
5	simply by the way that it was written and the involvement
6	that we had with the CIA through
7	a natural assumption on my part that it came from the
8	CIA.
9	Q Did you ever ask anyone where this came from?
10	A No, I don't believe so.
11	Q Were countries mentioned?
12	A I know Costa Rica was mentioned as a location
13	for an airfield, that had been selected as the location
14	for the sirfield, It olscussed Wicersqua, un
L5	
16	
17	
18	
19	
20	Q By "this idea" we're talking about the
	Q By "this idea" we're talking about the proposed airfield now in Costa Rica or somewhere in
20	
20	proposed airfield now in Costa Rica or somewhere in
20	proposed airfield now in Costa Rica or somewhere in Central America?
20 21 22 23	proposed airfield now in Costa Rica or somewhere in Central America? A That's correct.
20 21 22 23 24	proposed airfield now in Costa Rica or somewhere in Central America? A That's correct. Q All right. Tell us about that.

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network.

would have to have aircraft support to deliver supplies, that type of thing, and it discussed the two potentials.

The other was down in

Costa Rica. Now I didn't remember this name at the time when I was interviewed by CID, but I've seen the name

John Hall in the press since then, and I believe that is probably the name of the individual, because it was an American living in Costa Rica who owned this huge ranch, just tons of property, and that was the place that they were going to build this airport to run the supply

Q Was there a trip or trips made in terms of site selection?



Q Do you have any idea what happened to this concept paper -- physically to the document itself?

A I don't know. I know when I left BSI it was

in the safe. It was still there in the safe at BSI when I left.

-	And to four Monteage has it surfaced in the
2	course of these many investigations?
3	A I personally have not seen it.
4	BY MR. ALBRIGHT: (Resuming)
5	Q I apologize if I missed this while I stepped
6	out. But you said there was a Finding discussed. What
7	time frame was the Finding discussed?
8	A This was like in August of 1983.
9	BY MR. SAXON: (Resuming)
.0	Q It was a draft Finding, was it not?
11	A As best I can recall it was either a draft
12	Finding or it talked about this Finding. None of these
L3	things were signed. I mean, there was nothing signed in
L4	that book. It was all just on bond paper.
L 5	Q But would it have been a proposed Finding that
16	would be necessary for the President to sign in order to
17	carry out this operation, or is it that the concept paper
.8	outlined a particular operation that could perhaps be
.9	done pursuant to an existing Finding?
20	A No. I think it had to have a Finding in order
21	to do this and do it properly. See, every operation that
22	I've ever been associated with in the 20-something years
23	that I've been involved in the intelligence business I
24	have never seen a signed Finding. They are always draft
25	when you get them and you start building your plan of

support based upon that Finding.

And so I personally have never seen a signed Finding ever. I've only seen draft Findings and that's how the plans come and you work on them assuming that Finding is going to be signed, and you never really know for sure if it is.

Q For the record, do you have any knowledge that this concept was ever implemented or that implementation was attempted?

A I believe implementation was attempted. At least the mechanisms were being put in place to do that, because they started surveying the airfield. I believe that an account was established or was in the process of being established when I left there to support that operation.

- Q A financial account, bank account?
- A Yes.

Q At some point shortly after reading this concept paper you were out of town on travel, after which you came back and there were some bank signature cards to sign. What can you tell us about that?



PAGE 41 thru 43

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PAGE 43
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TOTAL



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where you register corporations. There's a street you go

1

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2	down there. There must be 500 lawyers on the street.
3	It's got signs hanging out all over the place. You know,
4	register your corporation here, \$5, you know, for the
5	paperwork that kind of stuff.
6	Okay. The lawyers over there, they are
7	shysters. They are a dime a dozen. Everywhere you look,
8	there's lawyers. And they will go down and do this stuff
9	for you, you know, for \$5, \$10.
10	And so I went over to Delaware and I went down
11	there and there was a line of people a mile long
12	registering corporations. I mean, you know, shady-
13	looking characters. And I didn't want to go in there
14	with a badge and credentials and try to get the
15	information on
16	So I went down and found myself a lawyer on a
17	corner and I paid him \$20 and he went down and got
18	microfiche of this company for me. I went to lunch, came
19	back, and he had it for me. And then I brought that back
20	and gave it to Duncan and these guys.
21	MR. SABA: Do you recall what information was
22	on the microfiche?
23	THE WITNESS: I remember
24	and some other person. I don't remember what the

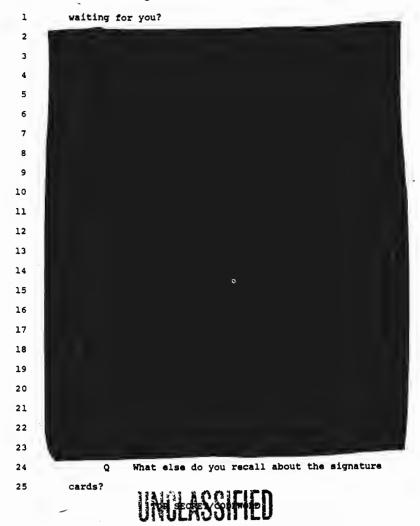
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other guy's name was. It was another guy. It was a two-

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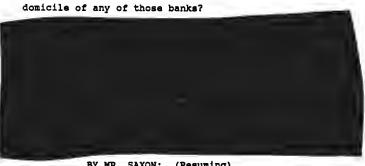
2	piece of paper in this file.
	1 7 / 2
3	MR. SABA: Did you visit the offices
4	at that time?
5	THE WITNESS: No.
6	
7	N N
8	
9	
10	
11	BY MR. 5aYON: (Resuming)
12	Q
13	
14	
15	
16	N
17	Q After you left Delaware, where did you go?
18	A
19	The state of the s
20	VC 3
21	
22	
23	
24	
25	And when you came back what did you find

47



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BY MR. SAXON: (Resuming)

You do recall, though, some being in a non-

English language?

7		Yeah.	It s	ems	to me	like	they	were	in
English	and	Frenc	h. O	ne th	ing w	as wr	ltten	in E	nglish,
one wri	tter	in Fr	ench.	But	I'm i	not al	solut	ely	sure of
that.	I kn	ow the	re was	SOI	e for	aign 1	Langua	ige ti	here.

- Q Did you ask anyone what these signature cards related to?
- A I just assumed that they were for the projects. I mean, I didn't really have to ask. I just assumed that's what they were for. There would be no other reason for them.
- Q Do you have reason to also assume that one or more of them related to the concept paper you had seen about support for the contras after the Boland Amendment



Q In the concept paper did it mention possible use of banks outside of the United States for that account?

A I don't recall that it mentioned that. It

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-	both like it ale, but I damed lement it out.
2	Q During the course of earlier investigations
3	outside of the Iran-contra affair investigations did you
4	have occasion to know that you might have signed a bank
5	signature card for Creduit Suisse?
6	A No.
7	Q Tell us how you came to know that you might
8	have done that.
9	A In April, early April, I received a call from
LO	a fellow named Rosenberg who works for CBS News, and he
L1	told me that he had independent confirmation from a
L2	European source that there was a Swiss bank account that
L3	had General Secord, Lieutenant Colonel Oliver North, Mr.
L4	Patterson and myself as signators to that account. And
L 5	referred Mr. Rosenberg to the Army Public Affairs
L6	Officer, and then I got in touch with Major Frothingham
L7	here in Washington and told him what Rosenberg had said.
L8	And he asked me if I could remember ever
L9	establishing any account like that, and I related to him
20	the story about the O plan and signing the signature
21	cards. But as far as I knew none of those accounts even
22	got established because BSI was done away with shortly

after that, and I just assumed that none of those

accounts were ever established.

25

But there could have been. So he asked me to

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1	come to washington fast as I could get here, so I flew
2	all night and got here the next morning and sat down and
3	gave the CID the statement on what I could remember about
4	it.
5	Q And then what happened next?
6	A I was interviewed by the Independent Counsel's
7	office several lawyers, a bunch of FBI agents and
8	we went through this nutroll again, just like we're doing
9	today the same thing over and over.
10	Q Did you ever have occasion to communicate with
11	Credit Suisse?
12	A Yes, I did. I called Mr. Rosenberg after I
13	got back to Arizona and I asked him for the account
14	number of this Swiss bank account.
15	Q And did he tell you it was
16	A Yes, he did.
17	Q And he told you that that was the number he
18	had been given by his independent European source?
19	A That's correct.
20	Q Okay. And then what happened?
21	A I then placed a call to Switzerland and I got
22	the telephone number through the operator and I called, I
23	believe, that night. But there was a time difference and
24	there was no answer. I called the next morning about

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6:00 in the morning and I talked to whoever answered the

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phone. You know, they referred me to some banker.

And I told him that I believed that there was
an account that had been established in 1983, that I was
a signator to the account, and I wanted to find out if
the account actually existed. So I gave him the account
number and he told me, yes, the account exists. And I
said I want to get all the records of that account
because go ahead.
Q Was this Mr. you were talking to?
A No. Initially I talked to someone else. And
when I told him what I wanted to do he referred me. He
said let me put you on to somebody else. He referred me
to Mr. , went through
the same drill with him, and gave him the account number
And you could hear him working a little machine in the
background, and then he started asking me personal data
questions date of birth, wife's first name just a
bunch of information which I gave him.
And then he said, well, you know, what do you
want? And I said I'd like to get copies of all the
records of the account.
Q Did Mr. or was it the first
individual to whom you spoke at the bank who confirmed

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It was, I think, really both. The first guy I

the account number?

talked to, I gave him the number and he pulled it up and

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2	he asked me what I wanted. And I told him that I wanted
3	to get copies of all the records of the account, that I
4	needed them because some of these guys were in trouble
5	with the law and I wanted to make sure that I didn't have
6	any problems. I wanted to see what was in the account.
7	Q And when they confirmed the number did they
8	tell you that their records showed you had one too many
9	in it?
.0	A That was Mr. When I talked to him I
.1	gave him the number. When he gave me the information on
.2	the account he said it had too many in the account
.3	number.
.4	Q And their records showed the account number as
.5	?
16	λ Yes.
L7	Q And did Mr. confirm that the account
.8	showed as signatories General Second, Colonel North, Pat
.9	Patterson, yourself, and was Robert Owen also on that
20	account?
21	A Yeah. I believe Owen was in the account as
2 2	well.
23	Q So he confirmed as to Secord?
4	A What I did, he asked me some questions about
. 5	the account I cave him the number and told him what I

wanted.	He said w	ho else i	ls on the	account. A	nd I said
Secord,	North I	had the	names wri	tten out	Owen,
Patterso	n, myself.				

Q And he confirmed the existence of General Second on the account?

A Well, he didn't say yes, I have the account here and these are the names that are on it. He was very cagey and he wanted to know what I wanted. You know, once he pulled the information up, he wanted to know what did I want to do, what did I want to transact. And I said I wanted copies of everything that has been transacted in that account since it came into existence.

And I said that I would be willing to come to Switzerland to get the information, how did I go about it, what did he need from me. And he told me he needed a letter, and he gave me the specific information to go in the letter. He needed exemplars of my signature about four or five times — you know, that type of information. He needed passport numbers, a variety of information that I was to put in the letter to send to him to get the account information.

Q We'll come to that in a moment. At some point he did what you have characterized as confirming these various names. How did that happen?

A He asked me who was on the accounts and I read

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Before I hung up, I said, look, I don't want to come all
the way to Switzerland and not be able to get anything.
I want to make sure that my name is in this goddam
account with these guys. And he said yes, it's here, you
know. You are a signator to the account.
So that was it.
Q But did he ever affirmatively say that General
Secord was a signator?
A No. He never said, you know, these guys are
all signators to the account during that conversation,
no.
Q Did he ever say that as to Colonel North?
A No.
Q He never said it as to Pat Patterson?
A No. I provided him with those names when he
asked me who was on the account with me.
Q And he never said that as to Robert Owen?
A No.
Q But he didn't
A He didn't deny any of it. He acted to me like
when I gave him those names and I gave him my date of
birth, that information, it seemed to put him at ease
that he was dealing with a person that he had the
that he was dealing with a person that he had the



Q	Did he tell	you anything else about the	18
account	when it was	set up, whether there were	3
successor a	accounts, et	cetera?	

A He asked me when it was set up and I told him in August or September of 1983. Now in a subsequent conversation, after I mailed the letter to Mr. asking for this information, I received a call from him the following Monday or Tuesday -- I believe it was a Tuesday -- early in the morning.

Q You mailed your information on a Thursday?

A I think it was a Thursday. I sent it by overnight express mail and I received a call from him very early in the morning. The first question he asked me was am I working for the U.S. Government. And I told him that I had retired from the government, and he said, but you're only 40 years old. And I said, yes, but I spent 20 years in the Army and in the Army you can retire regardless of your age at 20 years.

Then he kind of danced around for a while about the account. He said, you know, this account, it's very difficult. He kept telling me how difficult it was on this account. And eventually he said it evolved into other accounts. Do you know the other account numbers? I said, well, I don't know right offhand any other account numbers, but I can root around, talk to old

buddies and see what I can find out, and maybe I can find

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2	out what they are.
3	And he said he needed the other account
4	numbers in order to provide me with everything that I
5	wanted.
6	
7	another
8	letter to proper stating that I wanted what he had
9	on the original account and that I would attempt to try
.0	to get the other account numbers to give to him at some
.1	later time.
.2	And I wrote the letter and sent it out, and I
.3	haven't heard anything from Mr
4	Q You mailed that approximately April 19?
.5	A That's correct.
6	Q Did you ever while at BSI make any deposits to
.7	Swiss bank accounts?
8	A No.
9	Q So as far as you know nothing that you would
0	have done would have utilized such an account?
1	A No.
2	Q And for the record, at the time you were at
3	BSI you were not aware that there was an account with BSI
4	as part of YELLOW FRUIT in a Swiss bank?
5	A No, I did not.
	TOP SECRETACEDENCES

1	Q Do you recall having seen any other financial
2	documents deposit slips, check registers, record of
3	wire transfer, et cetera involving Swiss bank
4	accounts?
5	A There could have been. I just don't recall
6	specifically.
7	Contract of the Contract of th
8	
9	
10	I'm not
11	absolutely sure.
12	Q And you recall there having been a bank
13	
14	A There was more than and There
15	were several
16	Q And you recall that
17	may have been one of the accounts that Patterson used to
18	launder money?
19	A Yes, that's correct, because I recall there
20	was a deposit. It was a large one. I think it was
21	\$250,000 that was made to the BSI checking account from
22	that bank.
23	Q Do you know, for the record, Colonel North?
24	A I have been to at least one meeting, maybe
25	two, where Colonel North was there.
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1	Q Was it unrelated to YELLOW FRUIT?
2	A It was totally unrelated to YELLOW FRUIT.
3	Q And you have had no dealings with him on
4	anything part of the Iran-contra affair?
5	A Not to my knowledge.
6	Q For the record, do you know General Secord?
7	A I don't believe I've ever met General Secord.
8	I think he was in southeast Asia the same time I was. I
9	have heard his name batted around for years in southeast
10	Asia.
11	Q And, for the record, do you know Mr. Owen?
12	A I don't believe I've ever met Mr. Owen.
13	BY MR. SABA:
14	Q Just a few questions. Returning to the matter
15	in which BSI did its business, did it undertake contracts
16	with private third parties?
17	A I believe so, yes.
18	Q What kind of activities would these contracts
19	have been?
20	A Rental of equipment primarily, rental cars
21	you know, those types of things.
22	Q Did BSI engage in contracts with third parties
23	for operational purposes?
24	A When you say BSI, I think you've got to look
25	at
	UNUL HOOMHEU

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INCLASSIEIED 1 2 3 MR. SABA: I have no further questions. 5 BY MR. SAXON: (Resuming) Let me offer as Deposition Exhibit 1 what I believe to be the sworn statement that you provided Army CID on DA form 2823 on 2 April 87. (The document referred to was marked Golden Exhibit Number 1 10 11 for identification.) . Does this look familiar to you, Mr. Golden? 12 Yes, it does. 13 A 14 And that is your statement that you provided? 15 Yes. 16 And that was a sworn statement that you gave 17 to the Army investigators? 18 λ Yes, that's correct. And to the best of your knowledge all of the 19 information in there is correct? 20 Yes, to the best of my recollection, yes. 21 λ 22 MR. SAXON: Off the record. (A discussion was held off the record.) 23 BY MR. SAXON: (Resuming) 24 What can you tell us about why you didn't make 25 Q



any connection between any Swiss bank accounts which you've talked about now with the earlier investigations?

A I think early on in 1983 I made reference in sworn statements back and then and in conversations with the investigators and with the U.S. Attorney to the possibility of other bank accounts, and in fact I brought this up a number of times. I made 70-something trips back here as a part of that investigation to assist the FBI and the Army in sorting through all of this mess.

I suspected a long time ago that there were bank accounts established and I didn't know what the purpose of those accounts were. I think the Army did try to look at some of those at some point, but there was so much overwhelming evidence against Colonel Duncan that it was a chore just to catalog the information. There must have been 15 safes full of material, and I was told at one point that it was a fruitless effort because it was just too time-consuming to bury that many agents in that type of investigation when they really didn't need that information to prosecute Colonel Duncan.

Q Is it correct, then, that the first evidence you had that your name might have appeared as a signatory on a Swiss bank account was when you got the call from Mr. Rosenberg of CBS News?

A Yes, that's correct.



And the actual verification of what that 1 Q account number was came from Mr. Rosenberg? 2 Yes, it did. BY MR. ALBRIGHT: (Resuming) You knew that there was a position paper prepared that discussed diversion of funds to the contras, did you not? No, I didn't know that -- for diversion of funds -- no. BY MR. SAXON: (Resuming) 10 11 The position paper you saw dealt with padding 12 in terms of equipment and supplies, with that possibly 13 going to the contras? 14 That's right. It didn't talk about giving them money and laundering money or anything like that 15 that I can recall. The mechanism that was needed to fund 16 17 it, to buy things for them, would have to be set up. BY MR. ALBRIGHT: (Resuming) 18 I think you said earlier you remembered that 19 it clearly was a method by which Boland could be --20 21 There was no question about it. I mean, that

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was the whole purpose of the plan, was to circumvent the

to this investigation. Did you not make the connection

You remember when this story broke that led us

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23

24

25

Boland Amendment.



then? Why didn't you contact someone?

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2	A I suspected that was the case, but, I mean,
3.	you know, the plan was in the BSI offices when it was
4	taken down, and I assumed that the Army had the plan an
5	they had access more than I did to the material that wa
6	in BSI. I never saw the plan after I left there. But
7	when the investigation started they confiscated
8	everything in the office and it was either shredded or
9	they had the plan. I really didn't know.
LO	BY MR. SABA: (Resuming)
11	Q To your knowledge, was the device of padding
L2	contracts, whether with other countries or perhaps with
L3	other third parties, previously used for any other
L 4	purposes?
15	A I don't have any personal knowledge. I've
.6	heard all kinds of stories and rumors about that type o
.7	thing happening, but I don't have any direct knowledge
.8	it
.9	Q In your knowledge of the contracts
0	entered into with third parties, were these
21	generally contracts contemplating profit?
2	A Oh, yeah, they had to be. I mean, just the
23	nature of the business. I mean, it was a good ole boy
:4	network.

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To your knowledge was it understood that any

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Q

1	portion of such profit would go to a purpose directed by
2	the contracting agency?
3	A No. I didn't have any knowledge of that at
4	all.
5	BY MR. SAXON: (Resuming)
6	Q When you spoke with Mr. in either of
7	your two phone conversations did he ever verify whether
8	the account number, the account with the number
9	currently had any money in it? Was it an open account,
10	an active account? Did it have money?
11	A No. I never asked him that. I just told him
12	I needed the records, was what I was after. The story I
13	told him was that these other people that were signators
14	to the account were in trouble with the law, and he acted
15	very surprised at that. And I said what I'm trying to do
16	is protect myself. I want to know what has gone on in
17	that account that I might be subject to be questioned
18	about. I want to get copies of everything so I know
19	where I stand with the government.
20	Q So you didn't ask it. Did he volunteer
21	whether there was money in the account?
22	A No.
23	Q Did you ask whether you would be able at
24	present to make withdrawals or deposits into that
25	account?

1	A No, I didn't ask.
2	Q Tell us, to the best of your understanding,
3	where things stand in terms of your getting something in
4	terms of these records from Credit Suisse.
5	A The last letter I wrote to Mr was on
6	the 19th of April, and the letter basically stated
7	
8	that I wanted the information relative to the besid
9	account that had been established, and that I would
.0	attempt to find out the other numbers that he said I
1	needed to get, the other information, but in the meantime
2	I wanted him to send me whatever he had that he could
3	give me.
4	Q So you are waiting now to receive that?
.5	λ Yes.
6	Q And consistent with what you had been told in
7	your conversations, you have ever reason to believe you
8	will get records?
9 _	λ Yeah, I think so.
0	
1	I set up a post office box number and I have
2	thecked it every day up until yesterday.
3	BY MR. SABA: (Resuming)

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address a P.O. Box?

25

That's correct. You did not give your home address? No, I als not. BY MR. SAXON: (Resuming) BY MR. SABA: (Resuming) For the record, in your telephone calls to Mr. what telephane number did you use to reach him? The city code, I think, was λ The number is BY MR. SAXON: (Resuming) And that is in Geneva, Switzerland? Yes. And the letter I wrote to Hr. UNIDERS

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1	MR. SAXON: Mr. Golden, I think that's all we
2	have at this time.
3	BY MR. SAXON: (Resuming)
4	Q One other thing, Mr. Golden. I believe you
5	have some copies of documentary evidence, some memoranda
6	for the record, which you prepared of various phone
7	conversations and correspondence involved. Is that
8	something you could make available to the Committees?
9	A Yes. I can make available the letters that I
10	wrote to Mr. and I tape recorded the
11	conversations, the two conversations, where I placed the
12	calls to Mr. and I do have that and I can
13	provide that to you.
14	MR. SAXON: On behalf of both Committees, we
15	want to thank you for being here and for your candor and
16	time. Thank you very much.
17	(Whereupon, at 12:44 p.m., the taking of the
18	instant deposition ceased.
19	
20	Signature of the Witness
21	Subscribed and Sworn to before me thisday
22	of, 1987.
23	
24	Notary Public
25	My Commission Expires:

CERTIFICATE OF REPORTER

I, Michal A. Schafer , the officer before whom the
foregoing deposition was taken, do hereby certify that the witness
whose testimony appears in the foregoing deposition was duly sworn
by ME ; that the testimony of said witness was
taken by me to the best of my ability and thereafter reduced to typewrit
under my direction; that said deposition is a true record of the testimo
given by said witness; that I am neither counsel for, related to, nor
employed by any of the parties to the action in which this deposition
was taken, and further that I am not a relative or employee of any
attorney or counsel employed by the parties thereto, nor financially
or otherwise interested in the outcome of the action.
Michal ann Icha
My Commission expires: $2/29/90$

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CERTIFICATE OF NOTARY REPORTER

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I, Terry Barham, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing transcript was duly sworn by me; that the testimony of said witness was taken by me and thereaftrer reduced to typewriting by me or under my supervision; that said deposition transcript is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

Terry Barham, Motary Public in and for the District of Columbia

My commission expires May 15, 1989.

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SELECT COMMITTEE TO INVESTIGATE COVERT

ARMS TRANSACTIONS WITH IRAN

U.S. HOUSE OF REPRESENTATES

AND

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE

TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

Friday, September 11, 1987,

Washington, D.C.

Deposition of FRANCIS D. GOMEZ, taken on behalf of the Select Committees above cited, pursuant to notice, commencing at 10:15 a.m. in Room 901 of the Hart Senate Office Building, before Terry Barham, a notary public in and for the District of Columbia, when were present:

For the Senate Select Committee:

JAMES E. KAPLAN, Esq.

For the House Select Committee:

SPENCER OLIVER, Esq, THOMAS FRYMAN, Esq. KEN BUCK, Esq 4065

Partially Declassified/Released a under provisions of E.O. 12.3

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For the deponent:

RONALD G. PRECUP, Esq Nussbaum, Owen, and Webster One Thomas Circle Washington, D.C. 20005

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Whereupon,

FRANCIS D. GOMEZ

was called as a witness and, after having been first duly sworn, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE

SENATE SELECT COMMITTEE

BY MR. KAPLAN:

- Q Could you please state your full name for the record?
 - A Francis D. Gomez.

Q Just some housekeeping formalities here. You understand, Mr. Gomez, that this deposition is being taken pursuant to subpoenas that were issued back in April. I've got a letter here from your counsel which I am glad to mark as an exhibit to the deposition, which states that this subpoena issued by our Committee remains in force even though your appearance was excused back in April. I will ask the reporter to mark this letter Gomez Deposition Exhibit No. 1.

(The document referred to was marked Gomez Deposition Exhibit No. 1 for identification.

BY MR. KAPLAN:

Q Then I will ask the reporter to mark as Deposition

Exhibit 2 a composition the

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United States District Court for the District of Columbia of immunity pursuant to application by the Senate Select Committee, and an order issued by the same court pursuant to an application for immunity by the House Select Committee, which compels your testimony here today.

I will just state for the record that your testimony here today is being compelled pursuant to both of these orders. I will ask you if that's your understanding as to your appearance here today.

A Yes.

(The document referred to was marked as Gomez Deposition Exhibit No. 2 for identification.)

BY MR. KAPLAN:

Q Could you state your Social Security number?

Q What is your date of birth?

A July 24, 1941.

Q Are you currently employed?

A Yes.

Q What is your position or employment?

A I'm president of my own consulting firm which is called Public Affairs Resources, Inc.

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1	A Well, I changed the name of my previous company,
2	which was Gomez International, and the name change was
3	effective in August. So I have been employed by Gomez
4	International since early 1986.
5	Q . Is that the same time when Gomez International was
6	formed?
7	A Yes.
8	Q What was the purpose of the name change?
9	A I wanted something that reflected more what I did.
10	Gomez International doesn't say what I do. I found a lot of
11	people asking, when I presented my card, well, what do you
12	do, and I had to explain that.
13	Q Is Gomez International a partner along with I'm
14	sorry, the newly named corporation?
15	A PAR.
16	Q That's Public Affairs Resources?
17	A Yes.
18	Q Is Public Affairs Resources, Inc. a partner along
19	with Miller Communications in the partnership of Internationa
20	Business Communications?
21	A No.
22	Q When did that partnership cease?
23	A July 31, formally.
24	Q July 31 of this year?
мс. 25	A Yes.

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1	Q Okay. What was the purpose of the cessation of
2	that partnership?
3	A The purpose was to do business on my own.
4	Q What is the nature of your business?
5	A I do public affairs consulting, trade and investment
6	promotion, public relations.
7	Q Where are your offices?
8	A 1912 Sunderland Place.
9	Q Do you share offices with International Business
10	Communications?
11	A I rent offices from IBC.
12	Q In your immediate prior employment as a self-
13	employed individual at Gomez International, were the services
14	the same as you perform now with Public Affairs Resources?
15	A Basically, except that I'm more into a business
16	development mode, business promotion mode now.
17	Q Do you share profits with anyone as a sole pro-
18	prietor of Public Affairs Resources?
19	A No.
20	Q What was your employment prior to the formation of
21	Gomez International in January of 1986?
22	A I was a consultant, private consultant to IBC; a
23	subcontractor, in effect.
24	O Were you performing services similar to those that

you performed as a sole proprietor of Gomez International and

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Public Affairs Resources? 1 Yes. 2 How long had you held the position with IBC? 3 From February 1984 to January or February 1986. What had you done prior to February of 1984? 5 I as a foreign service information office with the 6 U.S. Information Agency. 7 How long had you held that position? 8 There were various changes in the status or the 9 type of title that we had, but I was with the USIA for 19 10 years and 10 months, something like that. 11 Had you performed a variety of different services 12 13 for USIA, or were your duties as public information officer similar with increasing responsibility over time? 14 They were, in a very broad sense, similar, but work 15 16

- overseas is somewhat different from work in the United States.
- Was the last portion of the tenure of your position at USIA work in the United States?
- Yes; from 1978 to 1984.
- What is the last position that you actually held 20 21 with USIA?
 - Director of Foreign Press Centers.
 - How long did you hold that position?
 - Almost two years.
 - What's your educational background?

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_ 1	A I have a bachelor's degree from the University of
2	Washington in political science, a master's degree in public
3	administration from George Washington University, and not a
4	degree but I had a fellowship in international economics and
5	public affairs at the Woodrow Wilson School of Public
6	International Affairs in 1973-74.
7	Q When did you attain your degree at the University
8	of Washington?
9	A 1964.
10	Q . When did you attain your master's degree at George
11	Washington?
12	A '82.
13	Q Were you attending school at George Washington in
14	the evenings?
15	A Yes.
16	Q Part-time?
17	A For four years.
18	Q For a master's degree for four years?
19	A Yes, one at a time.
20	Q When did you first meet Rich Miller?
21	A I went to work as Deputy Assistant Secretary of
22	State for Public Affairs in, I guess, July 1980. At that
23	time he was not yet at the State Department or AID, but after
24	the election he came to AID as Director of Public Affairs.
0., INC. 25	We met shortly thereafter, which must have been early 1981.

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I can't pinpoint the date. 1

We met each other in the context of meetings on 2

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public affairs strategies for the department and AID.

4

his deposition testimony before these Committees before your

Did you discuss with Mr. Miller the substance of

6

coming here this morning?

No.

8 9

Have you discussed with David Fischer the substance of his deposition testimony before these Committees before you came here?

No. Α

11 12

Have you discussed with anyone the substance of their private deposition testimony before these Committees

13 15

Α No.

16

With any witness?

before having come here to testify today?

17

No.

18

Do you now hold a security clearance?

19

No. Not to my knowledge. Frankly, I don't know what happened at the end of the Defense Department, whatever

20 21

they did, for the State Department contract. I don't know

22

how that turned out.

23

So I take it, then, in the past you did hold some security clearances?

24

Yes.

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- Q Did you hold security clearances while you were with USIA in the State Department?
 - A Yes. It's required.
- Q Do you recall what level of clearance you held during your time there?
 - A I believe it was top secret.
- Q Did you continue to hold a security clearance for some time after your government service terminated in January of 1984?
 - A Yes.
 - Q How long did you hold that clearance?
- A I don't know exactly when it expired or when it was to expire, but I remember checking on it when I left USIA to see how long it would be in effect. I understood it was going to be a year-and-a-half or two years more, something like that.
 - Q Do you know why that clearance remained in effect?
- A They clear people for, as I understand it, periods of years, and my most recent update had been done a couple of years before.
- Q Were you still privy to the classified information during your time outside of the government or beyond your government service?
- A I understand that I was as a contractor to the State Department, yes.

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Q	Was	your	securit	ty c	learance	mainta	ined a	at the
request o	f soı	meone	within	the	governme	ent, to	your	knowledge?

No, only that when I went to the State Department as a contractor or subcontractor, I inquired about the validity or status of the security clearance and was told that I did not have to do anything further to extend or update my security clearance.

Who gave you that information?

I don't recall. It was in the administrative process there. It may have been a call that I initiated myself to the USIA security office to inquire about it.

What prompted your request to determine whether your security clearance remained in force?

The expectation that I would be seeing classified documents.

Is it fair to say that expectation was the result of the fact that you were a contractor for a State Department contract that was classified as secret?

No, because all this happened prior to the classification of that contract. The period I'm talking about was February, March '84.

MR. PRECUP: Mr. Kaplan, for the record, by "that contract," I think the witness is referring to the State Department contract covering fiscal year 1986. Is that what you had in mind in your question as well?

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MR. KAPLAN: That is what I had in mind. I understand that there are a series of State Department contracts that Mr. Gomez and International Business Communications held when Mr. Gomez was a principal at IBC. We'll get into those contracts a little later and with a bit more depth. But that was the contract that I was referring to by my shorthand. I appreciate the clarification for the record.

BY MR. KAPLAN:

- Q Mr. Gomez, have you ever been an employee or a contract agent of any intelligence agency or intelligence branch of any department or agency?
 - A No.
- Q Do you recall when a corporation named IC, Inc. was incorporated in the Cayman Islands?
 - A Yes.
 - Q Were you an incorporator of that corporation?
- 17 A Yes.
 - Q How did you become involved in incorporating IC,

A I believe the period was spring of 1985 at a time when Mr. Miller and I were dealing with a person who was presented to us as a Saudi prince -- and I don't remember his name -- and who was interested in selling oil and providing the profits from the sale of oil, or at least some of the

profits from the sale of oil, to assist the administration IINIOI ACCILIED

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and assist the resistance movement in Nicaragua.

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MILLER REPORTING CO., INC. 507 C Street, N.E. 25 Washington, D.C. 20002 And after some checking, Mr. Miller decided that he should, we should, open an offshore account in order to provide for ready transfer of those moneys, and also to avoid any immediate tax liability for moneys entering the United States. We were expecting to deal with large sums and anticipated that any large sum coming in would be immediately taxable regardless of its ultimate disposition.

Q Was the decision to form IC, Inc. and the reasons for choosing the Cayman Islands as the place of formation a decision that you were involved with?

A No. I was asked to lend my name and my signature to those steps.

Q Did you discuss the formation of IC, Inc. with Colonel North?

A No.

Q Did you do or take any action other than lend your name to the formalization of the steps?

A No.

Q By steps, I'm referring to the steps to actually register IC, Inc. and establish some bank accounts.

A Other than lending my name, no. I --

Q I'm going to ask you -- go ahead.

A No, just Mr. Miller explained to me what he was recommending that we do. That's the extent of my knowledge

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of it.

Did you do any research into the mechanisms for establishing a corporation and related bank accounts in the

Cayman Islands?

issued by the Committees.

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No. I believe Mr. Miller did. MR. KAPLAN: I will ask the reporter to mark as Deposition Exhibit No. 3 a copy of a document that was produced to us by your counsel in response to subpoenas

> (The document referred to was marked as Gomez Deposition Exhibit No. 3 for identification.)

BY MR. KAPLAN:

I ask you if you can identify that document.

Well, the names are familiar: the Barclays Bank, the Cayhaven Corporate Services, and Walker and Company. But I don't know where the document came from.

Did you prepare this document?

I don't think so.

Is it possible that you prepared this document?

It's possible.

Does this document refresh your recollection as to whether you took any steps to determine the various mechanisms by which a Cayman Islands corporation and related bank

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1 | accounts could be established?

A I may have had a phone call or received a phone call from one of the persons or more listed here. I remember a phone call and taking notes from the phone call, but I believe I was doing that on behalf of Mr. Miller.

- Q Is it part of your business practice to have notes from telephone calls incorporated into typewritten documents?
 - A Normally, no.
- Q I take it it's possible that you had notes from phone conversations.
- A It's possible. I don't have any clear recollection of this document, especially underlining the management company does not look something like what I would do, nor underlining the law firm is something that I would do, nor even the format of the memo is not my style.
- Q Is it possible that you had a telephone conversation with someone about these approaches or mechanisms and gave your notes to someone else who then incorporated it into an information sheet?
 - A That's possible.
- Q Do you recall a time in 1986 when the name of IC, Inc. was changed to Intel Cooperation, Inc. and the charter of IC, Inc. was also modified?
 - A Yes.
 - Q Could you describe what your involvement, if any,

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was in that name and charter change	was	in that	name	and	charter	change
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A My involvement was that I was informed of the change or the need to change, the desire to change, and was asked to sign, again, the appropriate papers.

Q Did you have any involvement in the preparation of the papers instituting that name and charter change?

A Other than lending my signature to a document, I had no involvement.

- Q Who informed you of the name and charter change?
- A Mr. Miller.
- Q Did he tell you why the name and charter change was recommended or desired?
 - A He did but I don't recall the reason.
- Q Did he tell you that the charter change was being made in order to provide more secrecy to the function that IC, Inc. was performing at that time?
- A I don't think so. I wish I could give you a precise answer, but I do not recall.
- Q Do you recall whether he told you that the charter change was being made in an effort to more accurately reflect the business of IC, Inc. at that time?
- A I believe something to that effect was discussed. Frankly, I was not greatly concerned about it.
- Q Did you review the charter change prior to having signed the document that made it?

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I don't remember.

Was it your practice, Mr. Gomez, to sign documents

relating to IC, Inc. without a thorough review of the

substance of those documents?

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> Well, it was my practice, yes, to sign almost anything that Mr. Miller put in front of me, unfortunately.

> Usually, he explained what was happening and why and asked

for my signature.

Q

Going back to the formation of IC, Inc., did Mr.

Miller țell you whether he had had any conversations with Colonel North about the formation of that company?

11

Yes, I believe he did.

13

Can you describe the substance of your conversations

with Mr. Miller of his conversations with Colonel North?

15

Yes; very briefly, however.

16

I believe that they had discussions on the ad-

17

visability of creating or opening a corporation, creating a

18

corporation and establishing a bank account overseas. And

19

that was about it.

20

Did Mr. Miller ever tell you that Colonel North had instructed him to open an offshore account and corporation?

21 22

I don't think I could say accurately that this

23

would be characterized as an instruction. It may have been a

request.

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Do you recall whether Mr. Miller told you that Q HAIDI ACCITICA

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North had requested him to establish an offshore corporation 1 2

and account?

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No. I believe that the initiative for that came from the -- oh, I just remembered the name of the fake Saudi prince: Al-Massoudi.

I believe that that was in that context that he reached the decision to do that, and whether at that time Mr. North was also involved and making recommendations, I cannot be certain about.

- Q. Did you have any further dealings with Al-Massoudi after these initial contacts?
 - No.
- Were the Al-Massoudi transactions and dealings conducted solely by Mr. Miller insofar as IBC was concerned?
- That's correct, although I did see him a couple of times later when he came in the office.
- Do you recall why the fake Saudi prince said that he wanted to give money to the contras from the sale of these oil contracts?
 - Α Yes.
 - What was the reason that he told you?
- Well, he said that he had lived in the United States, and his son was living in the United States and was grateful for everything that the United States had done for him and for his son and his family and so on. And he wanted

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_	1	to repay the country in some way, and he was also concerned
	2	about the spread of Communism and felt that a contribution
	3	aid the Nicaraguan resistance would be a way to express tha
	4	concern.
	5	Q When did you first meet Colonel North?
	6	A I believe that I met him at a swearing-in in the
	7	Indian Treaty Room in the Old Executive Office Building in
	8	about August of 1984.
	9	Q Whose swearing-in was it?
1	0	A It was Tambs who was en route to Costa Rica.
1	1	Wait a minute. I'm sorry. It was Ambassador
1	2	Piedra, Alberto Piedra, who was en route to Guatemala.
1	.3	Q Who introduced you to Colonel North?
1	4	A At this swearing-in there were several people from
1	.5	the Office of Public Diplomacy at the State Department,
1	.6	including Ambassador Reich, John Blacken, and maybe others.
1	.7	In just meeting and greeting, it was in that context that I
1	8	first shook hands with Mr. North.
1	9	Q Do you recall when your first substantive encount
2	0	with Mr. North occurred?
2	1	A It could have been a few weeks after that. Perha
2	2	September.
2	3	Q Do you recall the substance of that occurrence or
2	4	of that meeting?

. . . .

As I recall it, either Mr. North, Colonel North, INNINI ACCITIED

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asked to see	me or	I was as	ked
Public Diplor	macy to	contact	him

someone at the Office of in order to discuss public affairs programs of the office.

0 Did you have subsequent dealings with North on that matter immediately after that meeting?

Several days after, but I can't pinpoint it. After that we started seeing each other -- I don't know -- once every two weeks or so, we would confer.

What were the purposes of those conferences, to the best of your recollection?

Coordination of programs, strategies for the public diplomacy effort at State Department and their relationship to the resistance leadership.

So I take it these were public diplomacy efforts related to the resistance?

Correct.

Were these activities conducted under the auspices of your State Department contracts?

Α Yes.

That you held at the time?

Yes.

Okay. Was there a time when you and others at IBC Q began to refer to Colonel North by the name "Green"?

Yes. A

Do you recall when use of the name "Green" began? 0

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Yes.

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it your idea?

Probably in the summer or fall of 1985.

Did you initiate the use of the name "Green"?

Q Do you recall why you initiated it?

A Yes, I recall very specifically a conversation with Mr. Conrad, Dan Conrad in Mr. Channell's office, because he was speaking rather loosely about Colonel North, Colonel North, Colonel North, Colonel North, Colonel North and I said, "Well, I don't think it's advisable to refer to Colonel North publicly, openly," as Colonel North because by this time there had been some press articles about his involvement with the Nicaraguan resistance. And I said, "You should probably call him something else."

He said, "Well, what do we call him?" I said, "Well, call him Green or something." I don't know. I thought Marine,

Q Can you just explain briefly, again, why you thought it was inadvisable to continue to use North's real name in conversations with Mr. Conrad and others at the National Endowment for the Preservation of Liberty?

Marine uniform, green, and that was it.

A Because the work that he was doing and the work that Channell and his group were doing was very sensitive, and that revelation of it would be embarrassing to all parties.

Q By the work that they were doing, I take it that

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you're referring to the contra assistance funding network that had been established by that time?

Correct.

Were you concerned about the legality of Colonel North's activities or anyone else's activities in connection with that contra assistance network?

Α No.

Were you concerned about the propriety, separate and apart from legality, of the contra assistance network that was being conducted by that time?

No. I think I was concerned primarily about the political implications of it, the embarrassment of a disclosure and so on.

Were you concerned about the political implications, embarrassment and public disclosure insofar as Colonel North was concerned?

Insofar as everyone was concerned.

Were you concerned that the public revelation of the contra assistance network would be a problem for IBC?

Α Yes.

What problem did you foresee that public disclosure of that funding network would cause IBC?

Well, it was a sensitive political issue, one that had prompted considerable debate in public, in the media, in the Congress, and I think that public knowledge of our

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association with such an enterprise could be harmful to the business.

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that IBC would lose business over the disclosure -A Potentially, yes.

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Q -- of its operation in controversial activities?

When you say harmful to the business, do you mean

7 8 A Yes.

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MILLER REPORTING CO., INC. 507 C Street, N.E. 2.5 Washington, D.C. 20002 If I may, I'd like to go back to our initial, Rich Miller's and my initial association. When I decided to become his consultant -- in effect, share offices and work with and for him -- we felt that it would be a good match, a good team because he was a Republican and I was from the Democratic side, had a lot of friends in the Democratic Party, had done some work for the Democratic Party. And I was also later, when we're talking about this period, I felt that my personal involvement or attachment to such a cause could be harmful to me in a business and a political sense for being so closely identified with that cause.

Q Did you ever express to Miller reservations about IBC's participation in the contra assistance funding network?

- A Yes. Many times.
- Q Do you recall at least when some of those reservations were expressed?
- A I don't recall dates. I recall periods. That is, fairly early on after the Channell relationship was es-

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shorty thereafter when they to the fund-raising mode, I had some reservations about that and expressed them to Mr. Miller.

What reservations did you express, to be more 0 precise?

Well, I wanted to be very certain, first of all, that what we were doing was not illegal, and he assured me that it was not. He had checked with various parties, I believe legal counsel as well, and assured me that it was not.

Also at the time, it was our understanding that whatever moneys were being raised were going for humanitarian purposes rather than non-lethal purposes.

MR. PRECUP: Rather than?

THE WITNESS: Rather than lethal. I'm sorry. slip. Rather than lethal purposes. And so that was somewhat reassuring to me.

BY MR. KAPLAN:

But I take it Mr. Miller assured you that the contra assistance funding network had been passed on as lawful by some counsel?

I had that impression, yes.

Did you ask him which lawyers he had consulted?

No.

What else did Mr. Miller tell you on occasions when 0 you expressed your reservations about IBC's participation in

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1 | the contra assistance network?

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A well, he made the case for the plight of the

resistance, first of all, saying that they were not getting
assistance, they were caught in an extremely precarious
situation where their needs were considerable; that Mr.

0	NOTER, CO.	ionel Morth, had asked for our cooperation. Of
7	course, I	had been in the room, in his office, when such
8	cooperation	on was requested, so that was not a secret. And
9	also that	whatever we were doing could be kept from public
10	view. And	d I was persuaded to continue.
11	Q	Didn't you ask for assurances that the contra
12	assistance	e network could be kept from public view?
13	A	No.
14	Q	Were you persuaded that the contra assistance
15	network c	ould be kept from public view?
16	A	No.
17	Q	But you just decided to continue to take the
18	business	and professional risk?
19	A	Yes.
20	Q	When did you first meet John Roberts?
21	A	I don't remember.
22	Q	Was it several years ago?
23	A	No. It was in 19if I met him. I'm very vague
24	about eve	r having met him. I believe I met him once, perhaps
2 5	after he	left the White House. But we had telephone convers
1	li .	BERNOLD FOR STATE OF

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tions prior to that time.

Q What was the purpose of those telephone conversations?

A Mr. Channell was seeking to get a letter, I believe it was a letter, from the President which would endorse his fund-raising efforts.

Q Who initiated the calls between you and Mr. Roberts?

A Well, Mr. Miller had had conversations with Mr.

Roberts on behalf of Mr. Channell, or Mr. Channell had had

conversations with Mr. Roberts, and I did this when the other

two gentlemen were either not available or something. I was

pinch-hitting.

Q I take it this would have been some time after the contra assistance network between NEPL and IBC began?

A I believe it was in the summer, August of 1985, when we had our telephone conversations; and when we met, I don't know. If we did meet, it was very brief and almost social rather than professional.

Q When did you first meet Channell and Conrad?

A I believe it was in March or April of 1985, about the time of the Nicaraguan refugee dinner.

Q Did you work with Channell and Conrad in connection with the planning for that dinner?

A I didn't, no.

Q Outside of any transactions or dealings having to INNINI ACCIEIED

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do with the Nicaraguan refugee dinner, do you recall when you first meet Channell and Conrad in a business context?

A Yes. Mr. Miller, and perhaps indirectly I, did some things for them in connection with the Nicaraguan refugee dinner. Whether it was just provision of information or background or something on Nicaragua, they were beginning to get into this as a possible fund-raising vehicle. And I don't recall exactly what services were performed. It may have just been outlining the issues for them or something. I am really very vague on that.

But shortly thereafter, after the fund-raising dinner, Mr. Channell appeared, perhaps accompanied by Mr. Conrad, and gave a check to Mr. Miller for services rendered. And I can't be certain that that check was for support for the refugee dinner or something else, but that was the beginning of the relationship. And at that time, he offered to provide a monthly retainer.

Q Does it refresh your recollection at all with respect to the timing of that first -- I'll refer to it as a retainer meeting if I tell you that the refugee fund dinner occurred on April 15 of 1985?

- A I don't know what you're trying to get me to recall.
- Q Is it possible that that so-called retainer meeting occurred before the refugee fund dinner?
 - A It's possible.

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- Q Would it refresh your recollection as to when that retainer meeting occurred if I told you that records received by the Committee from your counsel and others indicate that you participated in a dinner with Mr. Channell, Mr. Conrad, Mr. Ramsey and Mr. Miller some time prior to the date of that refugee fund dinner.
 - A Yes.
- Q Given your indication that your recollection has been refreshed somewhat by my recitation of those events, when do you now recall that that first retainer meeting with Channell and Conrad occurred?
- A Now I'm confused, because I sense that the calendar, the period is changed. It could have been earlier -- it must have been earlier, in February, perhaps. It was in the wintertime because I remember people wearing coats.
- Q So I take it it could have been some time in February, some time in March or some time in early April prior to the refugee fund dinner?
 - A Some time in early 1985.
- Q Okay. Do you know whether Channell and Conrad were first referred to IBC by John Roberts?
 - A I learned that much later.
 - Q When did you learn that?
 - A Oh, maybe some time in 1986.
 - Q Do you recall the context in which you learned that

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Roberts had referred Channell and Conrad to you and Mr. Miller?

A It was just a conversation with somebody -- and I don't remember with whom -- about how Conrad and Channell had a relationship with the White House, which predated their relationship with IBC.

Q Now, the Committees have received information in making that referral that Roberts referred to IBC as something like a White House outside of the White House, or a front for the White House on the Nicaraguan issue. Is that a characterization that you've heard before?

A I've heard it. It's not what we ever used or described our operation as, but I've heard other people say that they have used that term.

Q In what context have other people said that --

A Only in the context of the Nicaraguan relationship.

Q Is it to your mind an accurate characterization of the work that IBC was doing at the time?

A Not of all the work that IBC was doing as far as the Nicaraguan resistance policy to aid them. It was not a White House outside the White House. It was an entity which was assisting in the administration's efforts, but I certainly wouldn't characterize it as that.

Q Are you aware of any reason why Roberts or these other people who you say have referred to IBC as a front for INNO ACCIFIO

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the	• White	House,	or	possibly	a i	front	for	the	State	Department,
as	to why	they w	ould	characte	riz	ze IBC	thi	s wa	v?	

A My answer would be sheerly speculative. I don't know.

Q Who set up the dinner to which we've referred earlier in early April 1985 with Mr. Ramsey?

A I don't remember what the date of the dinner was.

Mr. Channell set it up as far as I know.

Q Did Channell tell you anything about Ramsey prior to the dinner?

A Yes.

Q What did he tell you?

A That he was a wealthy Texas, where he was from -- I think Wichita Falls, Texas -- that he was related somehow to the oil business. Not much more than that. A conservative, very interested in what was happening in Central America, a prospective donor.

Q What did you understand the purpose of the dinner to be?

A Dinner was for us -- well, in a few words, it was to get us a contribution from Mr. Ramsey.

Q A contribution for whom?

A For Mr. Channell's organization or organizations.

Q Was the contribution to Channell's organization going to be a contribution that would be passed on to the

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Α.	That's	what	Ι	understood.

- Q Are you aware that the discussion at the dinner that evening was tape recorded?
 - A Yes.
- Q When did you become aware that the tape recording existed?
 - A At the time.
- Q At the time. How did you become aware that the tape recording was taking place?

A Well, Mr. Conrad had a habit of recording things.

He was very business-like and wanted to be very precise about everything, and so he often had a tape recorder with him. And he put it on the table and said -- didn't say, he just started recording.

- Q Did anyone raise a question about the propriety of recording the dinner conversation that evening?
 - A I think I did.
- Q Did you raise it at the time that Conrad put the tape recorder on the table?
- 21 A I think I did.
 - Q What do you recall his response to be?
 - A I don't recall his response. Not in detail. He tape the conversation, so, therefore, he probably said something to the effect that, well, it's all right, I'll keep

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1	it,	and t	his sort of thing.
2		Q .	Do you recall having reviewed the transcript of
3	that	tape	recording?
4		A	Yes.
5		Q	When was that?
6		A	A week or a couple of weeks thereafter.
7		Q	Do you recall having made some changes in the
8	trans	scrip	t?
9		A	I remember editing it somehow, and then sending i
10	back	or g	iving it back or something.
11		Q	What was the purpose of your editing?
12		A	I don't recall whether it was a combination of
13	style	or s	sensitivity about its contents or factual, making
14	sure	that	there were factual statements there. It could ha
15	been	a com	mbination of all three.
16		Q	Have you had occasion to review that transcript \boldsymbol{a}
17	some	subse	equent time?
18		A	I've never seen it again.
19		Q	Do you recall whether Ramsey was shown some
20	photo	ograpi	ns at the dinner?
21		A	Yes.
22		Q	Who showed him photographs?
23		A	Mr. Miller and myself, maybe Mr. Channell, too.
24		Q	What were they photographs of?

The resistance.

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- Q Were they photographs or slides?
- A Photographs.
- Q What was the purpose of showing resistance photographs?
- A To depict the condition under which the resistance was living and operating, their need for supplies, equipment.
 - Q Where did you obtain the photographs?
- A Some I took myself on a visit to the camps in

 February 1985. A camp, not the camps. One camp. I visited

 refugee camps also on that visit. In fact, some of the

 pictures I took in refugee camps. And there may have been

 others -- but I don't think -- that could have been provided

 by Colonel North.

I don't recall whether they were all mine or there were others there.

- Q Did you at some time in the spring of 1985 assist

 Channell in obtaining a letter from Adolfo Calero authorizing

 Channell to do fund-raising for the FDN?
- A I knew about a request from Channell for such a letter from Mr. Calero, but I believe that that was handled by Mr. Miller.
 - Q Do you recall ever having seen the letter?
 - A I may have.
- Q Did you have any involvement in obtaining the letter for Channell?

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	that I know a letter was being
requested, and I may have	been involved in a phone call or
saying, "Where's the lette	er? What's the status of the
letter? Do you have the	draft" or whatever it was. But I
just	
Q Do you recall w	ny Channell requested the letter?
A Only that it was	s I don't recall specifically,
no; that it was useful for	his fund-raising purposes.
Q Is it fair to sa	ay, then, that your understanding
was that Channell wanted	the letter to assist his fund-
raising for the resistance	9?
A Yes. I believe	that he wanted to be able to show
it to prospective donors,	and thereby suggest an appreciation
that the moneys that were	being contributed were going to
their intended purpose, as	nd that he had a close relationship
with Mr. Calero, and that	anyone who contributed would be
assured of helping the cau	se.
Q Do you know whet	ther IBC received any fee from any
organization or entity in	connection with that authorization

letter? No.

You don't know?

I know of no such fee for such a letter.

Did there come a time, Mr. Gomez, when NEPL -- and

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I'll use that as the shorthand reference

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Endowment for the Preservation of Liberty -- began to give money to IBC that was intended to be provided for assistance to the Nicaraguan resistance?

A Was there a time when NEPL began to provide money to IBC?

Q Right.

A Yes.

Q All right. Do you recall when you first became aware of the fact that the money that NEPL was giving to IBC was to be used for the resistance?

MR. PRECUP: Would you repeat that?

THE WITNESS: Are you asking when?

BY MR. KAPLAN:

Q I'm just trying to establish a foundation for the record as to when you first became aware that NEPL and IBC and IC, Inc. were part of a contra assistance funding network.

A Well, I didn't know about the rest of the so-called network, first of all. All I knew about from firsthand observation was the provision of contributions to Channell, Channell's providing those or parts thereof to IBC and IBC's transfer of those to IC, Inc., and instructions from IBC to IC, Inc. to disburse them. And when I learned of those transfers, I can't pinpoint; some time in mid to fall of 1985.

Q You mentioned a bit earlier today, I believe, that
you were with North and Miller when North asked Miller for

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IBC's cooperation in this contra assistance network.

He asked for our cooperation in assisting with the administration's policy.

- Did you understand the cooperation that IBC was going to provide to be cooperation in the form of funneling funds to the contras?
 - At a later point, yes.
- When was the initial meeting that you described at which North asked for your cooperation in the administration's efforts in Nicaragua?
 - Oh, that was early fall of 1984.
 - Early fall of 1984.
- Α Yes, when I first started dealing with him on a regular basis.
- So I take it that at that time you understood that the cooperation he was asking was cooperation in connection with your activities under the State Department contracts then existing at the time?

Correct, and beyond the State Department contracts. That is, doing things that necessarily were not covered by the State Department contract, like just the extra effort that it would take.

What kinds of extra effort or activities did you understand North to contemplate, and did you eventually perform with respect to his request for cooperation? MAIN ACCITION

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A Well, sometimes rather than requests coming from
the State Department to write something or to arrange a
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meeting or something, he would ask us to do it directly. And
it's that kind of cooperation that I was referring to.
Q Did you perform those services under the auspices

of your State Department contracts, or did you perform those

A It was pretty much pro bono sometimes. I can relate one specific instance where he said that he wanted to have some stickers or flyers printed for later distribution inside Nicaragua, and our reaction was, well, we don't do that. We never talked about it again. He asked us to do it, and we agreed that, well, we'll look at it or something to that effect.

O Okay. All right.

services pro bono for North?

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A But that's the kind of thing, a request that he might make of us.

Q Do you recall the circumstances under which you first became aware that NEPL and IBC were engaged in a contra assistance network?

A I don't remember the exact circumstances or the date, but I can conclude that it had to be before the John Ramsey meeting.

- Q Where do you place the John Ramsey meeting?
- A Where do I place

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Q Right.

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- A In time?
- Q Time-wise.
- A Early '86 -- no, sorry. Early '85 or maybe late '84. I really can't be certain.
- Q Who told you about this funneling of funds that was either going on or about to go on among NEPL, IBC and IC, Inc.?
 - A Mr. Miller.
 - Q Do you recall what he told you?
- A Well, he explained what the relationship was and how it was to work; that is, that Channell would be obtaining contributions; that they would be sent to us and we would send them to IC, Inc. for disbursement.
- Q How, to your knowledge, did IBC segregate payments relating to contra assistance from NEPL from payments for fees for services and expenditures from NEPL?
- A I don't know. I was not involved in administrative matters.
 - Q Do you understand what I'm getting at?
- 21 A No.
 - Q You should state yes or no simply for the record.
 - A I said no.
 - Q Okay. During this period of contra assistance, I understand from your testimony and that of others NEPL also

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had a relationship with IBC in which it paid IBC a retainer for services and expenditures made on NEPL's behalf that didn't necessarily relate to contra assistance or the contra funding network.

A Correct.

Q I'm sorry. I probably haven't been terribly clear. But what I'm trying to get at is whether you're aware of how IBC segregated the payments from NEPL relating to contra assistance from those NEPL payments that related to retainer or other payments for services and expenditures made by IBC on NEPL's behalf.

A Well, I know that they were segregated, that we received a monthly retainer from Channell organizations, and that we were reimbursed for some expenses from Channell.

I believe that the contributions to the resistance cause were handled entirely separately from any retainer matter or retainer-related matter.

- Q Do you know who determined the timing and amount of payments from NEPL to IBC for contra assistance?
- A I assume Mr. Channell did.
- Q Do you know or that's just an assumption that you made based on circumstances over time?
- A It's based on circumstances over time. When he had money, he made it available. That's my impression.
 - Q Do you know whether Colonel North ever made a

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request of	Channell	or	of	someone	at	IBC	for	certain	contra
assistance	payments	•							

- A Yes.
- Q Did he make such requests or give such instruction?
- A I would characterize his communications as requests that he passed on to Mr. Miller or sometimes directly to Mr. Channell.
- Q How did you become aware of North's request for contra assistance payments?
 - A . Through Mr. Miller.
- Q Do you recall any specific incidents of North requests for contra assistance payments?
- A Yes. One in his office, and again, I am vague on the timing. But he seemed extremely frantic at the time, nervous, and he said that he had to pay -- he needed some money in order to pay an airplane dealer or supplier somewhere. I had the impression it was on the West Coast. And I don't remember the amount of money, but it was considerable, perhaps -- this is a guess -- three or four hundred thousand dollars.
 - Q Did North speak to you?
- A Mr. Miller and I were both in his office when this was relayed to us.
- Q Do you recall the purpose of your meting with North in his office at that time?

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- General discussion of the status of the No. resistance, where are they going, what kind of programs are they involved in, what are their needs and so on.
 - Do you recall when that meeting took place?
- It had to be in 1986. It seems like it might have been in the earlier half of '86, perhaps the spring.
- Was anyone else in North's office with you at the time of that meeting and that request?
 - I don't believe so.
 - MR. PRECUP: Other than Mr. Miller. THE WITNESS: Other than Mr. Miller, yes. BY MR. KAPLAN:
- Were there any other instances in which you can recall that Mr. North conveyed a request for contra assistance money to either Miller or Channell or to yourself?
- I remember other instances of which requests had come from Mr. North, either to Mr. Miller or to Mr. Channell directly because they spoke directly with each other sometimes. And I learned about that through Mr. Miller. can't identify any specific need or amount or time, only that most of it was in the period from spring to summer of '86.
 - To your knowledge, what --
 - Maybe winter to the summer is better.
 - Of 1986.
 - 1986.

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Q		10	your	Knowleage	e, who	OCI	ner tha	n you	and	Mr.
	-									
Miller	at	IBC	was	involved	with	the	contra	fund	ing i	network

A Who else at IBC?

Q Yes.

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A No one.

Q Did anyone else at IBC have knowledge of the contra funding network?

A No, not at the time. Only that an administrative assistance sometimes was involved in handling money, checks.

Q . To your knowledge, who at NEPL had information about or was involved with the contra funding network?

A Well, certainly all of the fund-raisers knew what they were raising money for, and whether they knew of the precise disposition of the contributions, I have no way of knowing.

Q Can you state for the record who the fund-raisers at NEPL were at the time that you believe would have knowledge of the purpose of the fund-raising that they were doing?

A Cliff Smith, who had a title; I believe it was Director of Political Affairs, something like that, at NEPL.

was another fund-raiser. Jane McLaughlin.

David Lane.

Q What about Littledale?

A Oh, maybe that was the name. I'm confusing names.

is somebody else. Eittledale, yes.

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Q	So I tak	e it	that	the	name,	should
struck	from					

should be--if there is such a person--should not be involved. I may know a from some place.

That was my concern. To your knowledge, what did IBC do with the contra-assistance payments?

They were received from NEPL and transferred to IC, Inc. where they remained until such time as Mr. North, Colonel North, instructed where they were to go. And I used the word "instruction" deliberately because neither Mr. Miller nor myself would ever know how to dispose of the resources, other than to take it, as our own initiative, and to do something with it.

Whose idea was it to transfer the funds from IBC to IC, Inc.?

I believe it was Mr. Miller's.

Do you recall why he decided to put IC, Inc. into the contra-funding picture?

Because it existed. Because it was convenient and fast. I, at the time, argued against it. I said why do we have to be a vehicle for NEPL?

Was there any reason why IBC itself didn't retain the money for distribution at Colonel North's instruction?

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Did Mr. Miller ever express to you his preference

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distribution? Yes.

for transferring the funds to IC, Inc. prior to ultimate

What did he tell you about that?

I don't know.

I believe it had to do with the tax implications of handling large sums of money inside the United States. Also, for reasons of privacy, and convenience.

Can you be a little more precise about his concern about the tax implications of receiving large sums of money?

Well, again, large sums of money would be handled by IBC, and IBC would have to explain it some time, or another, where the money came from and where it went.

But IBC handled those large sums of money anyhow, Q right?

Yes, and he explained to me that this was considered a "pass-through," was the word he used. A pass-through, which would mean that the monies would not be taxable. In other words, they were not for our benefit.

Would it not have been the same pass-through if the money had just gone into IBC, and then been ultimately distributed to the recipients at the direction of Colonel North?

That's a supposition.

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_ 1	Q Did you ask him why one pass-through was different
2	than the other?
3	A Yes. I probably did.
4	Q Do you recall what he responded?
5	A Oh, again, just the same explanation.
6	Q Did Miller tell you that he received any legal
7	advice in connection with the pass-through distinction
8	A Yes. I believe he did. I believe he received
. 9	accounting advice, tax advice, perhaps more than legal.
10	${\tt Q}$ ', Did the accounting advice, to your knowledge, come
11	from IBC's accountants?
12	A I believe so.
13	Q Were those accountants
14	A It could have been somebody else. I don't know.
15	Q You don't know?
16	A No.
17	Q Okay. Did Miller explain to you, with any preci-
. 18	sion, his concern for privacy that would be fulfilled if the
19	money was passed to IC, Inc. rather than distributed straight
20	out of IBC?
21	A Yes.
22	Q Could you tell us a bit about what he said with
23	respect to privacy.
- 24	A I can't say much more than what I already said,
MILLER REPORTING CO., INC. 507 C Street, N.E. 25 Washington, D.C. 20002	only that that was a concern, and that this particular bank

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was	used	to	handling	transfers	in	various	directions
quio	kly,	and	d, private	ely.			

Q You mentioned a moment ago, that it was Colonel North who directed the ultimate distribution of the funds from IC, Inc. Did Colonel North also determine--I take it, then--the timing and the amount of funds that would go to particular recipients?

A I have no precise knowledge of any amounts involved, at any time. As far as the timing, yes. I sensed, as I related to you earlier, that there was urgency at various times, great concern to both raise and transfer funds.

Q All right. How was the ultimate distribution accomplished?

A My understanding is that Colonel North communicated with Mr. Miller, either personally, or by telephone, or some way, a request or an instruction to transfer whatever monies might be available—I cannot say a specific sum because it would be a function of how much was available, to a certain entity. That is all I know. Where the account numbers, or the names of the organizations came from, I have no idea.

Well, they obviously came from Colonel North, but I do not know about the steps involved in Mr. Miller's getting that information in order to carry out that step.

Q When you said that the particular names of the recipients and the account numbers obviously came from

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Colonel North, how do you know that?

A Because to my knowledge, Mr. Miller was dealing with no one else on this matter.

Q Do you know for a fact that Miller didn't instigate, or initiate the names and account numbers of the ultimate recipients?

- A I don't know for a fact, no.
- Q Did Miller ever tell you that North gave him the names and account numbers of the ultimate recipients?

A , No. I said my understanding was that this information came from Colonel North. In fact I believe Mr. Miller told me that Colonel North had provided the information for the transfers.

Q Right. So the basis for your understanding was that Miller had told you that North was giving him this information?

A Yes.

Q All right. That North was also giving him the instructions or direction for the ultimate distribution. Is that correct?

A Correct.

Q Upon receipt of the instructions from Colonel North to distribute the money from IC, Inc., or, I take it there were one or two instances in which money was distributed directly from IBC, what did IBC then do, internally, to

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accomplish	the	transaction?
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A Sent Telexes, or, in some instances, a written memorandum to the bank.

Q When you say "to the bank," for clarification of the record, you're referring to the bank in the Cayman Islands?

A Correct.

Q That was the bank at which IC, Inc. was holding accounts?

A Correct.

Q So there were actually instructions to the bank with respect to IC, Inc. accounts to which the money had been transferred?

A Correct.

MR. KAPLAN: I am going to ask the reporter to mark as the next-numbered exhibit a composite exhibit of a Telex and a letter from yourself and Mr. Miller to a Mr. David Piesing in the Cayman Islands.

[Whereupon, the document referred to was marked Gomez Deposition Exhibit No. 4 for identification.]

BY MR. KAPLAN:

Q I am not concerned about the specifics of this
particular transaction. You'll note that the first two pages

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of the exhibit are the Telex, and the next two pages are a letter signed by you and Mr. Miller, that confirms the Telex.

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3	All I want to ask you is whether you can identify
4	Exhibit 4, that has been passed on to you by the reporter.
5	A Is this all Exhibit 4?
6	Q Right.
7	A Well, the Telex I don't recall ever seeing, nor do
8	I ever recall seeing the term "freedom network" used. This
9	is the first time I've seen this Telex.
10	Q . What about the attached letter that's pages 3 and 4
11	of Exhibit 4?
12	A Yes. I signed this letter.
13	Q So I take it you have seen that letter?
14	A Well, I have to qualify the word "seen."
15	Q Is that your signature?
16	A That's my signature.
17	Q Did you typically review letters that were put in
18	front of you for your signature?
19	A Not carefully. I glanced at them, and, at Mr.
20	Miller's request, signed them, and that was it.
21	Q Is this the typical method which you described just
22	a bit earlier in your testimony as to how distributions of
23	money from IC, Inc. were accomplished upon receipt of
24	instructions from Colonel North?

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Yes.

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Q	To your knowledge, did Channell or Conrad have an	пy
knowledge	of the ultimate disposition or distribution of the	1e
contra-as:	sistance funds?	
A	I don't know to what extent they were aware of the	he

A I don't know to what extent they were aware of the final disposition.

Q You mentioned, a bit earlier, that you discussed with Miller at least the propriety of the contra-funding network in which IBC became involved, and you mentioned some of the substance of those conversations.

MR. KAPLAN: I am going to ask the reporter to mark as Deposition Exhibit No. 5 an exhibit provided to us, again, by your counsel, which is a typewritten exhibit entitled "Statutory Provisions on Contra Aid."

[Whereupon, the document referred to was marked Gomez Deposition Exhibit No. 5 for identification.]

18 BY MR. KAPLAN:

Q Do you recognize this exhibit?

A I've never seen it before.

Q Did you provide this exhibit to Mr. Miller?

A No. I don't believe so.

 ${\tt Q}$ $\;\;$ Is it possible that you provided a copy of Exhibit No. 5 to Mr. Miller?

A I don't remember. As far as I'm concerned, this is

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the	first	time	I've	seen	this	document
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Q To your knowledge, was anyone else aware, anyone else at the NSC, aware of the contra-assistance network that was being conducted by NEPL, IBC, IC, Inc. and Colonel North?

- A I cannot say, for certain, whether anyone else was.
- Q Do you have any information, or inkling, that there were others at the NSC who were knowledgeable of your network?
 - A Colonel North's secretary.
 - Q That's Fawn Hall, I take it?
- A . Fawn Hall. And that's merely supposition on my part because she was involved in messages, and meetings.
- Q Did you yourself ever speak with Ms. Hall about any items of detail relating to the contra-assistance network?
 - A No.
- Q Are you aware as to whether Rich Miller spoke with Ms. Hall about such details?
- A No.
- Q But I take it that IBC received phone calls from Ms. Hall relating either details or instructions, or messages from North relating to the contra-assistance network, is that right?
 - A Yes.
- Q Are you aware of anyone else at the White House who was knowledgeable about the contra-assistance network?
 - A Well, I'm sorry, but you continue to use the term

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"network" and-	-
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Q Right. That's correct. By using the term--

A --that suggests a larger enterprise, and what I know about is IBC, NEPL, and Colonel North's office.

Q When I use the phrase "contra-assistance network" in the context of this deposition, what I'm referring to is the NEPL, IBC, IC, Inc., and North contra-assistance--

A Network.

MR. PRECUP: Activities.

MR. KAPLAN: --activities, that were being conducted between the spring of 1985 and the fall of 1986.

THE WITNESS: There were other people in the White House who were aware of the fund raising, but I do not believe were aware of the disposition of the funds.

BY MR. KAPLAN:

Q Who, to your knowledge, at the White House, was aware of the fund-raising aspect?

A Well, there were a number of people who participated in briefings that were related to the fund-raising effort, including Mary Masing who was then in the Office of Public Affairs, and her predecessor, Linda Chavez. Pat Buchanan. Linas Kojelis, also in Public Affairs. Public Liaison. I'm sorry. That should be Office of Public Liaison. And other names escape me at this time, but there are surely others who, at one time or another, learned of, or

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were involved in the briefings.

Q Can you simply describe, to create a more clear record, what you mean when you say that there were persons at the White House who were aware of the fund-raising aspect of the NEPL, IBC, IC, Inc. network?

A Well, the briefings I believe--I never made a presentation myself, or acted on behalf of NEPL, or Mr. Channell, or any of those people with respect to a briefing at the White House. So what I'm relating to you is, again, something that I've gathered over time through a series of conversations.

But the procedure was to have a briefing at the White House wherein Colonel North would make his presentation about the plight of the resistance, and then the guests would repair to the Hay-Adams Hotel where they would be solicited.

I believe that in the context of arranging for the briefings, it was related to persons involved in facilitating those briefings, that this was part of a fund-raising effort, in order to justify the trouble. That this was part of the outside-assistance efforts that were being undertaken by a variety of groups.

I'm sure that in one or more instances, this case was made very clear to people, and so far as it related to fund raising for advertising, announcements, the so-called Central American Freedom Program which was a rather major

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undertaking	on	the	part	of	the	NEPL	group	and	IBC.
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So I believe that people knew about the ultimate purpose of those meetings at least, if not others.

Q To your knowledge, was Elliott Abrams aware of the contra-funding network that we've been discussing?

A No. He was aware of the fund raising but not of the disposition because he participated in the briefing at the White House, and spoke to the assembled group, but I think he did so ingenuously, or unwittingly. If there was any question of fund raising, and so on, he was not a party to it.

Q Is it fair to say, Mr. Gomez, that those persons who were aware of the fund-raising aspect of the network knew that they were participating in such fund raising by their presence, or presentations at the White House briefings that were set up by NEPL and IBC?

A People at the White House were aware of the fund raising?

Q Yes.

A I have no direct knowledge that they were aware.

It is an assumption, on my part, that in--whoever explained to them the reasons for having such a briefing, explained that these persons were contributors to a particular program, or cause.

Q The point I'm just trying to pin down is with respect to your knowledge or understanding. Did you under-

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	1	stand that the persons at the White House who participated in
	2	the briefings for NEPL contributors, or potential con-
	3	tributors, knew at the time that they were participating in a
	4	fund-raising endeavor?
	5	A I had no first-hand knowledge of that.
	6	Q But I take it that is your understanding?
	7	A It's my understanding that
	8	Q I'm going to ask you on what you base that under-
	9	standing.
1	ιo	A $$ Conversations with people about the efforts to
1	11	arrange the meetings.
. 1	12	Q When you say "conversations with people," are you
1	١3	referring to people at the White House?
1	L4	A No. I'm referring to Mr. Miller and Mr. Channell.
1	۱5	Q Are you referring to conversations with Channell
1	16.	and Miller about their conversations with persons at the White
1	17	House?
1	18	` A Yes.
1	19	Q On the basis of those conversations, and the
2	20	circumstances, you arrived at an understanding that the
2	21	persons in the White House who participated in these NEPL
2	22	briefings for contributors, or potential contributors, knew
2	23	that they were engaging in some fund-raising endeavor?

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Yes. Some of them. I could not say all of them.

Could you say which ones you believed were know-

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ledgeable participants in a fund-raising endeavor?

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A . I could not be specific about it because it's second- and third-hand information. It's just my general sense is that it was understood that these people were raising money to assist the advancement of the Administration's policies in Central America.

Did you ever participate in preparing any memoranda that were circulated within the White House arranging these briefings for NEPL contributors or potential contributors?

A: I may have seen a memorandum to that effect written by Colonel North, or someone in the Office of Public Liaison, but do not recall originating, drafting, contributing to any such memoranda.

Could you describe any participation that you had in arranging the White House briefings that occurred in June 1985, October 1985, November 1985, January 1986, among others.

Yes. I held telephone conversations with Colonel North, probably attended a meeting or two, maybe more, with him in that regard, on behalf either of IBC, Mr. Miller or Mr. Channell. But this had to do with coordinating dates, making sure that invitations to attend were sent out on a timely basis, that sort of thing. My relationship with respect to those briefings changed over time. My sense is that at the outset, Mr. Miller and I worked closely with Colonel North arranging for those briefings, and then, as

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1	experience was acquired, both Mr. Miller and I took a back
	seat, and we were told when the briefings were going to be
2	
3	arranged.
4	Q To whom did you take a back seat?
5	A I believe to Mr. Channell. He, or Mr. Conrad,
6	began dealing more directly with Colonel North.
7	Q Were you involved in the participation of the
8	President in the January 1986 briefing?
9	A I was involved to the extent that I knew that a
0	request had been made of him to participate.
1	Q Who made that request?
2	A Well, Mr. Channell originated the request. He
3	always wanted the President to endorse his programs because
4	was useful for his fund-raising purposes.
5	Q Did you help to arrange the President's presence
6	any fashion?
7	A No. I attended the briefing. I was told when i
8	was, where it was, and I went there.
9	Q Were you aware that certain NEPL contributors had
0	one-on-one meetings with the President over time?
1	A I have heard since that time, that such meetings
2	took place.
3	Q Did you have any involvement in arranging those

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_	1	Q	Were you aware that North had one-on-one meetings
	2	with cert	ain NEPL contributors over time?
	3	A	I learned shortly afterI don't know how many
	4	weeks or	daysthat North had individual meetings with
	5	contribut	ors or potential contributors.
•	6	Q	Did you help to arrange any of those meetings?
	7	A	No.
	8		MR. KAPLAN: This probably is a good time to break.
	9		[Brief recess.]
	10		BY MR. KAPLAN:
T4	11	Q	We were talking, right before we took a break, about
	12	various W	hite House briefings that were arranged, at least in
	13	part by I	BC for NEPL contributors or potential contributors.
	14		Did there come a time when an individual named
	15	David Fis	cher began to perform services for IBC and NEPL in
	16	arranging	these White House briefings?
	17	A	Yes.
	18	Q	Do you recall when that association began?
	19	A	It'd be in the fall of 1985.
	20	Q	When did you first meet Mr. Fischer?
	21	A	The fall of 1985.
	22	Q	What was your understanding as to the services that
	23	were to b	e performed by Fischer for NEPL and/or IBC?
	24	A	Well, initially, I understood that his respon-
MILLER REPORTING CO., I 507 C Street, N.E. Washington, D.C. 20002	25	sibilitie	s were to lie almost exclusively in relationships

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with	the	White	House,	that	is,	assist	ing	and	obtaining
lette	ers,	obtair	ning app	pointm	ents	, and	acce	ess,	basically

Q On what did you base that understanding?

A And also counsel on how the White House would behave or react to certain proposals--you know--the whole business. I'm sorry.

Q On what did you base that understanding?

A Conversations with Mr. Miller and with Mr. Fischer.

Q Were you involved in the initial dealings, if you will, among IBC and Mr. Fischer and Mr. Artiano, with respect to the development of a professional relationship?

A I recall attending one meeting, or a part of one meeting at our offices with Mr. Artiano, Mr. Fischer, and Mr. Miller.

Q Did this meeting occur at a time prior to the formalization of the business relationship?

A Yes. It must have been around November of December of 1985.

Q Do you recall the substance of that meeting?

A No. I don't think I stayed for the entire meeting.

I greeted them. Or the meeting had been very brief. I

remember discussing the responsibilities, what the organization was looking for. Fees. But that's about all.

Q When did you first meet Artiano?

A I believe at that time.

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	Q	Do	you	reca.	ll th	he basis	for	the	fees	that	wer	e to
be	charge	d by	Fis	cher	and	Artiano	for	peri	formin	ng the	ese	White
Ноч	se acc	es s	func	tions	3?							

A There was discussion of a monthly retainer. There was also a discussion of a fee per meeting with the President, or involving the President, but I don't recall the specifics, that is, amounts of money.

Q When do you recall the discussion of the fee per meeting with the President?

 ${\tt A}$. That was fairly early on, November, December of 1985.

Q Do you understand that that became the basis of the payments for the business relationship between Fischer, Artiano and IBC?

A Yes.

Q Do you recall what the amount of fees charged were?

A No. I only recall discussion by these men of interests or concerns of Mr. Channell to pay whatever it took, or something to that effect, and there was some talk that he was prepared to offer as much as--a retainer as much as \$25,000 a month, and for what period I don't know. When it was starting, I don't know.

Q Was there a discussion also as to what amount

Channell would pay per meeting arranged with the President or involving the President?

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also	, bec	ause o	f news	accounts	sinc	e that	time,	and so	o I	
could	in't	give a	specif	ic respo	onse.	I rem	ember-	-well,	what	1
just	said				•					
	0	To it	fair +	o sav t	hon	that w		doreta	odina	4

Q Is it fair to say, then, that your understanding is that Fischer and Artiano were being paid on the basis of meetings arranged with the President, or which involved the President?

A That's only partially true. I know that payment in relationship to meetings was discussed and agreed upon.

Whether that was--there were other duties to be performed, I think is rather clear. That it was not based solely on meetings with the President.

Q But at least a portion of the fees that they were paid was based on the number of meetings that they could successfully arrange with the President, or involving the President?

A I don't know what the proportion is, or the portion.

Q But that was your understanding?

A That was my understanding.

Q Your understanding was based on conversations with

22 | Miller?

A With Miller, and parts of meetings that I attended, or a meeting. I believe I attended one meeting with Mr. Fischer and Mr. Artiano, and I left early.

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Q	That meeting, I take it then, is the one you
described	earlier involving Fischer, Artiano, Miller,
Channell,	and yourself?

A Yes. Well, Channell, I don't believe was there. i don't recall ever being in a meeting with Artiano, Channell, Miller and Fischer.

Q Okay.

A And as I recall, this meeting was exploratory.

They were finding, looking for a mechanism, and establishing relationships.

Q Was there any subsequent conversations that you had with anybody, which confirmed the understanding that you had, that Fischer and Artiano were being paid, at least in part, based on the number of presidential meetings that they could arrange?

A Did I attend any of the meetings in that regard or any other--

Q Well, did you have any other conversations which confirmed that understanding?

A I heard references to payment for meetings in the context of payment for other services as well.

Who made those references?

A Channell, Miller, Fischer,

Q I take it that the references of payments for meetings were indeed references that led you to believe, or

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MILLER REPORTING CO., INC. 307 C Street, N.E. 25 confirmed your understanding that Fischer and Artiano were being paid to arrange meetings with the President, or that involved the President?

A Among other things.

Q Okay. Did you, Mr. Gomez, have any involvement or knowledge of solicitations of money intended for the purchase of lethal supplies for the contras?

You asked--again.

MR. PRECUP: Would you repeat the question, please.

. MR. KAPLAN: Sure. I asked whether you had any involvement in, or have any knowledge of solicitations intended for the purchase of lethal supplies for the contras.

THE WITNESS: I don't recall any solicitations specifically for lethal weapons. I do recall some contributors mentioning that they would like to contribute to purchase lethal weapons, but that was not in the context of a solicitation. It was their expression of their—the intensity of their desire to do something to help the cause.

BY MR. KAPLAN:

- Q To which contributors are you referring?
- A Well, I believe Mr. Ramsey may have mentioned once buying--or providing money to buy a surface-to-air missile.
 - O Anyone else?
- A I can't remember some of the names of people that I
 may have sat next to at a dinner, or something, who expressed

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something to that effect.

Q Were you involved in any way with the solicitation of Mr. Ramsey in June of 1985, which resulted in his payment of \$10,000 to an account controlled by Alfonso Rubelo?

A No. I wasn't involved. I know that he was in touch with Mr. Miller and Mr. Channell around that time. I also had a sense that Mr. Rubelo had some particular needs at that time, but I was not involved.

Q Do you know anything about a solicitation of Nelson Bunker Hunt that occurred in September of 1985 in Dallas?

A I only heard that Mr. Channell and perhaps others of his group were going to Dallas.

Q Did you hear anything about what happened in Dallas?

A I believe Mr. Calero was going to be there. I believe that Mr. Hunt was having his own event of some kind, that somehow Mr. Channell and/or Mr. Calero were going to participate in, but that's the extent of my knowledge.

Q Were you ever asked to help prepare a list of arms, or any other lethal supplies for use in solicitations of particular contributors?

A Yes.

Q Can you describe your participation in those activities.

A Yes. Mr. Channell told us--Mr. Miller and myself-that a lot of the contributors wanted to have a sense of the

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1	equivalent of what their contributions might mean in terms of
2	hardware. They wanted to be assured that if they gave
3	\$25,000 that might be enough to buy x, y, or z. And so we
4	were asked to try to attach some dollar amounts to certain
5	weaponry.
6	I either received a sheet of paper that had such
7	weapons and amountsthings likeI mean, maybe they weren't
8	just weapons or lethal equipment, but also boots, and so on.
9	I don't recall what was on the list.
10	${\tt Q}$ ', From whom did you receive that list?
11	A I believe it was from Colonel North.
12	Q Did you request the list from North?
13	A Probably.
14	Q Was North aware, to your knowledge, that the list
15	was going to be used in fund raising by NEPL, or others?
16	A I believe he was.
17	\mathtt{Q} Do you recall when the request to North was made,
18	or when he provided that list to you?
19	A It seems like the spring of '86, or winter of '86.
20	Q Okay. Are you aware of any other arms lists, or
21	lethal-supply purchase lists that were created during your
22	time at IBC?
23	A No. I believe that's the only one.
24	Q What did you do with the list that you received from

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A	Gave	it	to	Mr.	Miller.

Do you know what Miller did with the list?

I presume he gave it to Mr. Channell. I was caught in the middle on this. The request for such a list, I understand, had been made to Mr. Miller, and he asked me to either call North and find out what I could get, and I believe he was out of town, or otherwise unavailable, and so I got involved at that stage.

Did you ever hear from anybody the results of the solicitation of Nelson Bunker Hunt that took place in Dallas in September 1985?

I remember some discussion about Bunker Hunt having financial difficulties, and I had read in the paper at the time about his silver problems, and that there was some disappointment regarding the fruitfulness of that visit to Dallas.

Were you ever in North's office when he made a call to Hunt?

I can't say for certain that I was not. I do recall one time in his office, at least once, where he called somebody, someone whose name I would remember -- recognize, not remember -- and I can't say for certain that that was Mr. Hunt.

Did you participate at all in any solicitation of funds from Barbara Newington?

No.

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Q Did you participate at all in any solicitation of funds from William O'Boyle?

A No.

Q Did you participate at all on any solicitation of funds from Ellen Garwood?

A No.

Q Did you participate at all in any solicitation of funds from Fred Sacher?

A Yes.

 ${\tt Q}$. All right. Can you describe your participation in the solicitation of Mr. Sacher.

A All right. I had met Mr. Sacher in one of the briefings and we sat next to each—or at one of the dinners. We sat next to each other, and he was, expressed his great concern about the media, and how the media were portraying events in Central America.

Later, I heard from either, directly from Mr. Channell, or through Mr. Miller from Mr. Channell, that Mr. Sacher was interested in contributing to a public-information effort.

Shortly thereafter, Mr. Channell asked me to put together some thoughts on a kind of a program which could be carried out in the United States to achieve more--a better understanding of the situation of the resistance, and the nature of the Sandinista regime, which I did. I prepared it.

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I believe my first draft, they didn't like, so they asked me to change it, and it became bigger. They forwarded it to him and he sent it back, or gave them some comments, and then, eventually, there was a piece of paper on which a solicitation for contributions would be based.

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That led to a subsequent dinner, a briefing first and then a dinner, I believe, at which solicitations were made for that very program, and that was in effect the beginning of the program.

And I do not recall soliciting. I recall participating in the preparation of the program, or designing an information program, and justifying the costs, and the nature of the program. But I don't recall exactly where--wait. There was a dinner with Sacher, I believe at the Hay-Adams.

- Do you recall when that dinner occurred?
- Oh, my gosh.
- Was it some time during the fall of 1985?
- It had to be in the fall, but more precise than that, I know it was cold, it could have been November, and I know that it also precedes the January meeting at the White House at which the President spoke, because that was really the kickoff of the whole effort.
 - Right. Q
- And at that time, Mr. Channell, at the dinner, Mr. Channell made a pretty hard pitch for a lot of money. I HIMINI ACCITIEN

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the amount but it was over a million dollars.

Do you recall what the result of Mr. Channell's pitch was?

I don't remember whether he agreed to give something that night, or whether he was going to sleep on it, and they were going to meet again the next day. I believe the latter is what actually happened. And whether he even got a commitment the next day, I don't know. My sense is that they continued to deal with each other by telephone after that.

- Q . Do you recall a phone conversation or a meeting with North in September of 1985 in which Mr. Sacher was discussed?
 - Yes.
- Can you tell us what your recollection is of the substance of that conversation.

I believe Mr. Channell may have been in the room--i can't be certain -- and I believe that he asked Mr. North to contact Sacher directly, Mr. Sacher directly, by telephone, to make a case to him.

- Where did the meeting take place?
- I believe it was in North's office.
- Okay. Do you recall having told North that Sacher approaches \$500,000?
 - Me telling North?

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MR. PRECUP: Approaches?

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1 THE WITNESS: Approaches?

MR. KAPLAN: Right.

THE WITNESS: What do you mean? That his contribution could be that amount?

MR. KAPLAN: Right.

THE WITNESS: I don't recall it but it's possible.

BY MR. KAPLAN:

Q Do you recall having discussed with North--

A I'm sorry.

Q Go ahead.

A Mr. Channell may have described Mr. Sacher's contribution potential to me, and I was relaying that to Colonel North.

Q Do you recall a conversation with North in which Sacher was discussed also in the context of Cable News Network, or "Nightline" or "20/20", and other television programs?

A No. If you could expand on your question, I might be able to help you.

Q Did you have any other substantive conversations with North about your dealings with Sacher?

A Perhaps only substantive in regard to the nature of the program that he was interested in conducting, or seeing conducted, and the approximate cost of such a program, and, again, I shouldn't use the word "perhaps" because I'm really

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The eventuality of a briefing in which the program would be presented.

Did you participate in a solicitation of funds for the contras from any other individuals?

Well, I was in the room at the Hay-Adams where solicitations were made, so that was a roomful of people.

What about more private solicitations than the roomful of people?

A . Yes. In June of 1985, Mr. Channell told me that he wanted me to accompany him to Miami with Mr. Conrad in order to provide Mr. Calero with some training in public speaking, for him to polish his presentation that he made to organizations, for him to improve his image and his impact. And I said fine, and we set the date, and I later learned that Mr. Sacher was going to be in Miami at the same time.

I don't know how long before I learned that. And we got to Miami and Mr. Channell contacted Mr. Sacher and arranged for Mr. Sacher to meet at the Calero home. And at that time Mr. Calero's brother either showed up, or was already there, and Channell wanted to solicit Sacher for something, and I don't know what it was.

But in the context of their conversations, it was learned that there was a plane in Fort Lauderdale. I don't know much about military matters so I can't say what kind of IMINI IMATES

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plane it was, only that it had four engines. And that they wanted to buy it, "they" meaning the brothers Calero.

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MRLER REPORTING CO., IN 507 C Street, N.E. 2 the plane, Fred," or something to that effect. So we went out there and looked at this plane.

And Channell seized on that and said, "Let's go see

And later that evening at a restaurant, Channell made a pitch to -- did I say Sacher?

Q Yes.

A Oh, I'm sorry. It's not Sacher. It's John Ramsey.

I'm sorry, please. It's John Ramsey who was in Miami, and he
made a pitch to John Ramsey to pay for the plane.

- Q Do you know the result of that pitch?
- A Ramsey did not want to. It was a negative.
- Q All right. You testified a few minutes earlier that you don't recall having helped to arrange any one-on-one meetings between North and NEPL contributors or potential contributors. If I can be a bit more specific, do you recall calling North to request a briefing for a particular Channell contributor in August of 1985?
 - A A briefing for an individual?
 - Q Yes.
- A I may have done so, but I don't recall who the individual was, and I don't recall the conversation.
- Q Do you recall discussing Mrs. Newington during the same time period with Colonel North?

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Q What do you recall about the substance of that conversation?

A Not very much. Mrs. Newington's name had come up numerous times because I think Channell regarded her as a significant contributor. And Channell and Miller had had conversations about her, as had Colonel North. And at that time, I believe Mr. Miller was on vacation or out of town, and I was asked to step in again. And I probably asked something about, Are you going to meet with Mrs. Newington, or When is Mrs. Newington coming to town? I later learned that Colonel North went to Connecticut to meet with her. But I believe by the time they met, Mr. Miller was back and made the trip also.

Q Are you aware of the designation of a project called a toys project that was kept in NEPL?

A I only became aware of it when I read about it in the newspaper.

Q So you never heard the phrase "toys project" used by any NEPL employee or associate or IBC employee or associate

A Never.

Q -- prior to the public disclosure this year?

A Never.

Q Mr. Gomez, what's your understanding as to the

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intended purpose of the contra assistance payments that were being made as part of what I'm referring to as the shorthand as contra assistance funding network?

A Well, my understanding from the outset was that it was to be for non-lethal purposes; that because of the suspension of U.S. aid, the resistance were in very difficult circumstances. And I visited refugee camps and the main base camp of the resistance and was able to see for myself the conditions under which people were living, and was told by both the resistance leaders as well as individuals -- peasants and fighters -- what their needs were. It was very apparent. They lacked medicine, food, boots, clothing, everything.

Colonel North, when the relationship began and we started talking about assistance to the resistance, never mentioned anything but aid to provide for basic needs to keep this group alive. And in a series of conversations that I had with Mr. Miller, I wanted to be assured myself that we were not providing any money for weapons -- non-lethal -- and I received those assurances.

Q Why did you seek those assurances?

A Because I wanted to be sure that I was not party to any violation of the Neutrality Act.

Q Now, you testified a moment ago that that was your initial understanding. Did your understanding change over

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time as to the intended purpose of the contra assistance payments or solicitations?

Slightly. That is because later I heard talk about, well, one, this list of weapons, and my understanding of that was that was a way to elicit contributions, and that that would not be the final purpose to which the money would be put; but, rather, that that was a means to get money which would then be provided for general support or for non-lethal assistance of whatever kind. It was not my understanding moneys received through the Channell fund-raising efforts were to go for lethal equipment.

Were you at the time --

Although I could never be assured of that because I didn't know where the money was going. I was told that, in fact, moneys were going to provide assistance to various groups, information, political support, general support, and including operation for a little girl who had her arm shot or somebody else that needed an operation on a leg or whatever. That kind of thing -- political activity, information activity and general assistance.

Were you ever told about particular solicitations in which this arms list that you described or other arms lists were used to solicit money from certain individuals?

The arms list, how that was used to solicit?

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Right.

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	1	A And what was the disposition of the funds?
	2	Q Yes.
	3	A No.
	4	Q So it's fair to say that there were a number of
	5	individual solicitations that resulted in sizable contribu-
	6	tions that you were not aware of the substance of those
	7	solicitations?
	8	A No.
	9	Q Or the disposition of those contributions?
	10	A > No.
	11	Q When you say no, I take it that your response is
	12	that, in fact, it is fair to say that that's the case with
	13	respect to your knowledge.
	14	A Yes. In fact, when I was asked to sign some of the
	15	disbursements from IC, Inc. to various places, I asked Mr.
	16	Miller, "Where is this going?" And in some instances, he
	17	said he didn't know. In other instances, he said, well, thi
	18	is \$100,000 for so-and-so who is going to use it for educati
	19	programs; or this is to help another group which I thought
	20	was fine.
	21	Q What is your current understanding as to the
	22	intended purpose of the contra assistance payments that were
	23	being made by NEPL to IBC?
_	24	MR. PRECUP: Let me see if I understand your

MALER REPORTING CO., INC. 107 C Street, N.E. 25 Washington, D.C. 20002 question before the witness answers.

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You are asking him as of today what his understanding is, including all the newspapers and general publicity of the hearings here?

MR. KAPLAN: That's correct. Basically, I think what we have on the record is that early on he received a number of assurances that the money was going to be used for humanitarian or non-lethal purposes. As time continued, I believe that Mr. Gomez's testimony was that he began to have a few doubts, but he could never know for sure because he didn't know who the recipients were and he didn't know of particular solicitations and he didn't know the disposition, the ultimately disposition of the proceeds. And I was just continuing the progression up to the present to ask whether on any basis he's arrived at a different understanding today than his latest one as to what the disposition or intended purpose of those payments were.

THE WITNESS: Well, I'd like to go back to my answer to your previous question because it helps explain my mindset at the time when I believed that we were working primarily or exclusively on non-lethal matters.

That is, that I had heard reports in the media of contributions from other countries and from other individuals which provided for weaponry, for lethal purposes. Therefore, it was my understanding that our role was to provide for the humanitarian side of things.

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Now, with respect to the ultimate use of the moneys and what I know and understand today, I believe that a large part of the moneys that were raised did go to the purposes that we understood that they were going to; that is, nonlethal. However, I learned from reading the press that some moneys were transferred -- and I don't remember the amounts -- to Lake Resources. And I, of course, didn't remember what Lake Resources was, but it has since become evidence that Lake Resources was a company operated by people who were involved in supplying or purchasing weapons. And I was shocked when I learned that.

BY MR. KAPLAN:

You mentioned a bit earlier in your testimony that you were concerned about the potential that some of these funds might be going for lethal supplies because of your concerns about the Neutrality Act. How did you develop an understanding of and concern for potential violations of the Neutrality Act?

Well, questions about the Neutrality Act had surfaced in the media very early on, shortly after the suspension of official U.S. assistance. And so there was a lot of discussion about it. I just wanted to be sure that we were not dealing in weapons.

Did you ever seek legal advice with respect to the Neutrality Act?

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A No, but I asked Mr. Miller whether he had.

Q . What was his response?

A Yes, but I don't know if that was related specifically to the Neutrality Act.

Q Do you recall when this conversation about the Neutrality Act and other legal implications took place?

A Probably in spring or winter of 1986.

Q Now, was this a conversation that took place as part of your expression to Mr. Miller of reservations you had about the contra assistance network in which IBC was engaged?

A Yes.

Q Now, you signed a number of letters that transferred funds to Lake Resources, among others, and as you testified earlier this morning, those letters were signed at Mr.

Miller's request and at Colonel North's prior instruction or direction.

A To Mr. Miller.

Q To Mr. Miller. That's correct.

Did you ever ask Mr. Miller what Lake Resources was?

A I believe I did. I probably asked him what other places, other things were, too, but he didn't know. And we assumed that it was an account which was either controlled by or made accessible to -- that is, the funds in them would be made accessible to the resistance.

Q There was a sizable amount of funds that went from INNOLACCIEICO

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IBC and IC, Inc. to Lake Resources. I'm sure you noticed that over time.

A Yes.

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20 21 Q Did you press Mr. Miller or did you ever have a discussion with him or North as to what Lake Resources was?

A First of all, I never discussed any of the funds transfers with Colonel North.

Q Okay. I think that's important to clarify for the record.

A . I did discuss it with Mr. Miller. I asked him if
he knew what Lake Resources and some of the other groups
were, and he said he didn't know. And I don't recall whether
I went any further than that, after having been reassured by
Mr. Miller that, again, his understanding that these moneys
were not going for legal purposes; and also that we could not
be held accountable for the funds once they were transferred.

In other words, I believe what he said, if I can paraphrase it, was, well, once it leaves our hands we don't know what happens to the money; therefore, it shouldn't be of concern to us.

Q Did you ever discuss the contra assistance network with David Fischer?

A No.

Q Did you ever discuss it with Marty Artiano?

A NO. IINOI VECILIED

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1	Q	Are you aware that in February of 1987 IBC prepare
2	a report	for NEPL relating to so-called program expenditures
3	for the y	ears 1985 and 1986?
4	A	I was aware of it.
5	Q	Were you involved in the preparation of the report
6	A	No.
7	Q	Did you review the report prior to its being
8	delivered	to NEPL?
9	A	I don't recall having reviewed it.
10	Q -	Have you reviewed the report since?
11	A	No. I don't believe I've ever seen it.
12		Oh, wait a minute. February '87I didn't review
13	it. It w	as not even shown to me, as I recall.
14	Q	Have you reviewed it since it was issued?
15	A	No.
16	. Q	How did you become aware of the existence of the
17	report?	
18	A	Mr. Miller told me he was preparing it.
19	Q	Did you read about the report in the press after i
20	was discl	osed?
21	A	Yes.
22	Q	Did you ask Mr. Miller or anyone else to review a
23	copy of t	he report after having read of these press dis-
24	closures?	No. IINCI ACCIFIFD
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- $\ensuremath{\mathtt{Q}}$ $\ensuremath{\mathtt{Did}}$ you discuss any conclusions drawn on the report with Mr. Miller?
 - A Yes. We discussed it once or twice.
 - Q Do you recall the substance of those discussions?
- A Well, he was very concerned about accounting for every cent that was received and disbursed under the Channell relationship because in the haste to carry out programs or projects, a lot of things fell through the cracks. And our record-keeping was not as good as it should have been, and he wanted to be sure that he had a record, to his best ability to compile that record. That was it.

I do recall him telling me that he had received letters from organizations in which it stated that they had received moneys. I never saw the letters. I know that he felt reassured by that.

- Q Did you ever have occasion to discuss that report with Channell?
 - A No.
 - Q With Conrad?
 - A I have not talked to them for a long time.
- Q Did there come a time, Mr. Gomez, when IBC began to deduct ten percent of the contra assistance payments for the personal benefit of you and Mr. Miller?
- A Yes, although I wouldn't characterize it as for the personal benefit of both of us.

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Q	Well	1, 1	why	don't	you	fire	t te	11	me	when	the	te
percent	began	to	be	deduc	ted :	from	the	con	tra	assi	star	ıce
payments	?											

A I don't remember exactly when it was. Late spring or early summer of '86.

Q How would you characterize the ten percent deduction?

A Well, as I mentioned a few minutes ago, we had been conducting programs at a rather frantic pace for well over a year, and our sense all throughout that period was that we were not being compensated adequately for our services. We often talked, Rich Miller and myself talked about that because we had put on a large number of staff and were paying for large numbers of services. I noted that we didn't have an accurate understanding of how much money was coming in and how much was going out, and I was concerned about that.

Mr. Miller approached Mr. Channell about increasing our retainer and was denied. So I was told by Mr. Miller around this time that he had discussed with Colonel North taking part of that, whatever it was, ten percent, and putting it aside for us to later use in defraying operation expenses. That's it.

Q Do you recall when Miller told you he had had that conversation with North?

A I don't remember the date por

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2	A · .	It's possible. I remember that the subject had
3	come up.	Before it was actually begun, the subject had been

Is it possible that it was some time late in 1985?

Q To your knowledge, was there a time when the ten percent began to be deducted as a paper matter prior to the actual deductions themselves?

A I cannot give you any information on those details.

Q Okay. You mentioned in your previous answer that the subject began to be discussed because, and then I think I might have cut you off. Would you continue that answer?

A Well, I was concerned about the large staff and the large number of expenditures that we were encountering. At this time, I was not very involved in the Channell matter. I was doing other things. And it was just a concern.

I believe that Mr. Miller raised the idea of the possibility of compensation with Colonel North some months. before it actually happened. In other words, this is something that is an idea that arose and which was in the back of some people's minds until it was later decided to go ahead.

Q Did North approve the idea?

A I was told by Mr. Miller that North approved the idea. He conveyed to me Colonel North's great appreciation for what we were doing, the risks that we were taking, and

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raised because ...

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the costs that we were bearing to carry out these programs.

Q When you say that there were significant program expenditures and staffing that was required, which programs are you referring to when you talk about the expenditures and the staffing?

- A NEPL, the public information campaigns.
- Q Did these expenditures or staffing, though, have anything to do necessarily with the contra funding network?

MR. PRECUP: Necessarily?

MR. KAPLAN: I will take that amendment to my question.

BY MR. KAPLAN:

 ${\tt Q}$ $\,$ Did the expenditures and staffing have anything to do with the contra assistance network that was being conducted by NEPL, IBC and IC, Inc.?

A I would say something to do with it, but not entirely. Most of the work, the effort at that time was for a public information program, a general support to NEPL. They made many requests of us for information, for services, for publications, for research, for many things that you cannot necessarily separate from what is public information and other assistance to the NEPL group from the fund-raising and transfers.

Q Was it your understanding that the ten percent that was being deducted from the contra assistance payments was

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was	conduct	ting	across	the	boa	rd f	for	NEF	L?			

A It wasn't explained to me that way. It was just compensation for services, additional compensation over and above the monthly retained which we always regarded as inadequate.

- Q The services we're talking about are:the total array of services that IBC was performing on NEPL's behalf, not just the services or expenditures relating to the contra assistance network.
- A It was never put to me in those terms. In hindsight, it looks like that was the way it was.
 - Q When was World Affairs Counselors, Inc. established?
 - A I think in the summer of '86.
- Q What's your understanding as to why World Affairs was established?

A I believe Mr. Miller told me that it was to provide a separate account to which moneys could be transferred from IC, Inc., and which would on the basis of need revert back to Gomez International and Miller Communications.

- Q Did North approve, to your knowledge, of the formation of World Affairs Counselors?
 - A According to Mr. Miller, yes.
- Q To your knowledge, did North suggest the formation of World Affairs Counselors?

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	Α	Ι	don't	. know	where	the	initiative	for	it	came

Q Was Channell ever told or Conrad ever told about the ten percent deduction that was being made of the contra assistance payments?

A I was told by Mr. Miller that he had discussed it with Mr. Channell, but after the fact.

Q Do you recall when Miller told you about his discussion with Channell about this ten percent deduction?

A I can't recall exactly when it was. I would say fall of last year, maybe a year ago. Less than a year.

Q Did Miller relate to you any reaction that Channell had?

A Yes. He said that Mr. Channell thought it was acceptable.

Q Is it fair to say that you felt entitled to this ten percent deduction because of the variety of services that you were conducting on behalf of NEPL?

A Yes.

Q Is it also fair to say that you had no doubt that North had complete authority to authorize the ten percent deduction of the contra assistance payments?

A Our belief was that once the money reached IC, Inc. we could not dispose of it without Colonel North's concurrence or direction.

Q Was it your understanding that North had complete

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ŀ	discretion or control	over the o	contra assistance	payments
	once they reached IC,	Inc.?		

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A To say complete control may be going too far,

Q How would you describe it?

A I believed that we had the option at any time to return the money to anybody that provided it -- that is, back to Channell -- to close the account and to close shop. But as far as where the money went and when it went and how much went, that was 100 percent Colonel North's call.

Q Is that the basis on which you felt that he could authorize to you the additional ten percent deduction from the contra assistance payments?

A That's part of it.

Q Do you want to explain what the other parts were?

A Well, the sense that we had was that once the money was there it was at his disposal, and our disposal insofar as the procedures to be followed in handling transfers. Mr.

Miller could have, in effect, written himself a check on that money, and no one would have been the wiser. We could have done it without Colonel North's concurrence or awareness.

So when you say did it solely depend on Colonel North, I would say no, it did not. But it was a major factor.

Q Is it fair to say that you wouldn't have started to deduct the ten percent without Colonel North's approval?

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your	mind	, pri	imari]	ly to	rec	eive	the	ten	perd	ent	dec	luctio	on c) 1
the p	payme	nts t	hat v	vere	tran	sferi	red _, i	from	IBC	to	IC,	Inc.	?	

A Yes.

That's fair.

Q Other than this ten percent deduction or payments to World Affairs Counselors, did you receive any benefits from the provisions of monetary assistance to the resistance?

A No.

Q Are you aware of anyone else receiving or deriving any benefit from the contra assistance funding network?

A No.

MR. PRECUP: Apart from the contras?

MR. KAPLAN: Apart from the contras and apart from any cut of contributions that NEPL might have taken prior to passing them on to IBC.

THE WITNESS: No.

MR. KAPLAN: I think this is a good time to break for lunch.

[Luncheon recess.]

BY MR. KAPLAN:

Q When was the Institute for North-South Issues created?

A I don't remember the exact date when it was formally recorded in the District of Columbia, but early '84.

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1	Q	Was it some time after your retirement from the
2	State De	partment?
3	A	Yes.
4	Q	Soon thereafter?
5	A	Yes.
6	Q	Did you incorporate it?
7	A	Yes.
8	Q	Did you also apply for tax-exempt status?
9	A	Yes.
10	Q'.	Do you recall when the organization received its
11	tax-exemp	ot determination from the IRS?
12	A	It was November or December of 1985.
13	Q	Did Colonel North have any involvement in the
14	applicati	on that the Institute filed for tax-exempt status?
15	A	No.
16	Q.	Was the tax-exempt status granted by the Internal
17	Revenue S	Service, insofar as you know, in a routine manner?
18	` A	Yes. Slow.
19	Q	Could you state, again, when the tax-exempt statu
20	was recei	ved.
21	A	November or December of '85.
22	Q	Do you recall when the application was filed for
23	tax-exemp	ot status?
24	A	1984.
25 02	Q	Was there some problem in the application? Did t
	i	LILLALLAAIPIPR

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1	application have to be amended a couple of times?
2	A I believe it was, yeah.
3	Q Those were all routine amendments, and
4	A Everything was routine, including the delay.
5	Q When did North become aware, to your knowledge, of
6	the Institute for North-South Issues?
7	A In the fall of '85.
8	Q Are you sure we're talking about the fall of 1985,
9	and not some time earlier than that?
10	MR. KAPLAN: Let's go off the record a minute.
11	[Brief recess.]
12	MR. KAPLAN: Could I please have the last question.
13	[The record was read by the reporter.]
14	THE WITNESS: Yes.
15	BY MR. KAPLAN:
16	Q I believe you might have answered it just a moment
17	ago, but I'll ask it again. To your knowledge, when did
18	North become aware of the existence of the Institute for
19	North-South Issues?
20	A Around the same time, '85, that we received tax-
21	deductible status.
22	. Q Did you ever discuss with North the use of the
23	Institute for North-South Issues for contra-assistance
24	payments?

MILLER REPORTING CO., INC 507 C Street, N.E. Washington, D.C. 20002 A I don't recall discussing it. I know that it was

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discussed, and I believe it was Mr. Miller who discussed it.

Q Do you recall when Miller might have discussed that? When Miller did discuss that with North?

A It was fall of '85.

Q Is it possible, Mr. Gomez, that Miller discussed the Institute for North-South Issues with North in February of 1985?

A It's possible.

Q Do you know what the result of the discussions that Miller and North had about the possible use of the Institute to receive and distribute contra-assistance payments?

A What I know is that--what I know has been relayed to me exclusively by Mr. Miller. No one else. It was my understanding then, and it is my understanding now, that Colonel North had received, or have been approached by someone about a contribution from the Heritage Foundation. And the Heritage Foundation was looking for a tax-deductible entity to which to give the contribution.

And Colonel North was casting about for such an entity, and in the context of inquiring of Richard Miller, Miller volunteered that this entity existed.

At the time, we had not yet received certification, and so I think it was dropped, briefly, and then it was taken up again, shortly thereafter, two months later, perhaps.

Q What was your reaction to the use of the Institute

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to receive contra-assistance payments?

A I didn't like it. Well, I disagreed with the notion that it should be used for that purpose because that was not the purpose for which it was created, and I was also looking forward to receiving tax-deductible status, and getting on with the work that I had originally conceived for the Institute, which is fundamentally to work in international exchanges, to build understanding between the Third World and the United States.

, And I thought that doing that would harm the

Institute, and harm its ability to do what I hoped it would be
able to do all along.

Q Did you express these concerns to Mr. Miller?

A I did.

Q Do you recall whether he took any action on these concerns?

A Well, at first, he accepted my view, and the subject came up later, and we discussed this, more or less had the same kind of discussion, and he pointed out to me that the contribution from the Heritage Foundation would be intended for information purposes, political purposes within the United States.

And that therefore, it could be interpreted as being consistent with the objectives of the organization.

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Four	ndatio	on",	you're	re	feri	ing	to	a	\$100	000,	contribution	that
was	made	some	time	in	the	late	fa	11	of	1985	?	

A Correct.

Q Didn't you believe Miller's explanation about the use of the Heritage Foundation grant?

A I accepted it.

Q Did he tell you what the source of the Heritage Foundation, or who the source of the Heritage Foundation money was?

A . No. I thought it was Heritage money.

Q Did he tell you that the source of the Heritage Foundation was a result of a referral to him by North?

A Yes.

Q How do you square this last answer with the previous one?

MR. PRECUP: Wait a minute. Would you point out the inconsistency you see in the two answers, so that we're not quessing here.

MR. KAPLAN: I believe what I asked in the initial question was what he understood the ultimate source of the funds to be, and Mr. Gomez said the Heritage Foundation.

Then I believe that the next question was--and I'm sure I'm not verbatim quoting--but the next question was, did Mr. Gomez come to an understanding that the ultimate source of the funds was someone who had been referred to Miller by

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North, and he responded yes. I am just trying to figure out and to clarify, for the record, what Mr. Gomez's understanding was as to who, or what, the source of that \$100,000 from the Heritage Foundation was.

MR. PRECUP: Well, I think what I missed in your second question was "ultimate source." I'm not sure you voiced those words, but the record will show.

THE WITNESS: I don't know what the "ultimate source" was. All I know is that Mr. Miller heard about the offer of a contribution from the Heritage Foundation, from Colonel North. At least that was my understanding at the time.

BY MR. KAPLAN:

Q Your understanding at the time was that North had referred to Miller, the Heritage Foundation, as a source of funds?

A Yes. "

Q Did you understand what those funds were to be used for, once they were received by the Institute for North-South Issues?

A They were to be transferred to IC.

Q Upon transfer to IC, Inc., did you have an understanding as to what the use of the funds would be, beyond?

A Initially, it was not clear what the funds were, but I was later--it was explained to me that they would be

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used for information, or political activities.

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Q Do you know whether or not the Institute for North-South Issues ever received that money from the Heritage

Foundation?

Α Yes.

How much money, do you recall?

I believe it was 100,000.

Do you know how much of that \$100,000 was then passed to IC, Inc.?

Α. I believe 80,000.

Do you know why only 80 of the \$100,000 was passed to IC, Inc.?

I believe Mr. Miller reached an understanding either with Heritage, or with Colonel North, about retaining 20,000 for the Institute.

When did you arrive at that understanding?

I believe some time after the fact, but I can't be any more precise than that.

Did you have any concerns about the Institute having retained \$20,000 of the money that was donated, at least on the surface by the Heritage Foundation?

No. The Institute, we had been struggling to try to get it going, and keep it functioning, and were having a director to operate it. It had been costing us money up to that point, so a fee like that was welcomed. HAIOLACCIEIED

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Q Did you really, some time after the payment by	CII
Heritage Foundation to the Institute, that the money had	đ
always been intended for contra-assistance efforts?	

A No, I--not until perhaps after all of this became public. I was really never certain where the monies ended up, only that I had been assured that they were going to be used for--again--political and informational activities.

MR. KAPLAN: I'm going to ask the reporter to mark as Deposition Exhibit No. 6 a copy of a Form 990 for 1985 that was filed by the Institute for North-South Issues with the Internal Revenue Service.

[Whereupon, the document referred to was marked Gomez Deposition Exhibit No. 6 for identification.]

BY MR. KAPLAN:

- Q I will ask you whether you have ever seen this return before?
 - A Yes.
 - Q Did you review this return before it was filed?
 - A I don't think so.
 - Q I'm going to direct your attention--
 - A Maybe I did.
- Q I'd like to direct your attention to the second page of Exhibit 6.

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I did. Yes.

I'll ask you whether you recall having reviewed Part 3, for instance, prior to the filing of the form?

I believe I reviewed it after.

The information that describes the Heritage Foundation grant that's found in Part 3A of this form, do you recall who supplied that information?

To best of my knowledge, it was Mr. Miller.

Did you ask Mr. Miller about the information that's contained on the form? .

Yes.

What did you ask him, and what did he respond?

I asked him if he could expand on this and tell me more precisely what kind of information services were involved in this, and he wasn't able to tell me. Only that he said that the money had gone for different groups, relating to political, public affairs, public-relations support activities of the resistance.

To your knowledge, is the description contained in Part 3A an accurate description of what you were told the Heritage Foundation grant was used for?

I take it, it is fair to say, on the basis of your testimony, that subsequent to public disclosure of the events under investigation by these Committees, you've come to a

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different	understanding as to what the Heritage Foundation
money was	used for?
A	I don't know what it was used for.
Q	When did you first meet Adolfo Calero?
A	I met him in early October 1983.
Q	Did you meet him in the context of your respon-
sibilities at the U.S. Information Agency?	
A	Yes.
Q	After you left the USIA, did you have a business or
professional relationship with Mr. Calero?	
A	Yeah, a business relationship, yes, beginning in
October of 1984.	
Q	Was that business relationship a part of the
services t	that IBC was conducting for Mr. Calero and others?
A	Yes. It was a retainer relationship.
Q	Can you just describe, briefly, what the substance
of the bus	iness relationship was.
· A	We were to assist him in writing speeches, articles,

arranging for public platforms, speeches. Monitoring the media. Criticism of the resistance movement, anything related to that in order to better prepare responses for him, and also, things relating to the Government of Nicaragua. Arranging interviews.

Q Was there a time in which you began to refer to Mr.

Calero by use of the name "Spark" or "Sparkplug"?

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When did that begin? 2 3 I don't have a precise recollection of when it began, but Mr. Calero was introduced to us by Colonel North, 4 perhaps in September or October of 1984, and we were advised, 5 I think by Mr. North, that that was his nickname. I don't believe the name, the term "code name" was ever used, or 7 anything like that. Just something rather informal like, "Well, we refer to him as Spark," or, "Sparkplug." 9 Q So this was not a name that you coined for Mr. 10 Calero? 11 12 13 1984 and 1985? 14 15 Yes, up through April or May.

Yes.

Did Mr. Calero pay to IBC monthly retainers during

Are you aware of the form that the monthly retainer took?

18 Yes.

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Can you tell us what that form was.

They were traveller's checks.

Did Mr. Calero give those checks to you or to Mr.

Miller, or both?

А Both.

What did you do with those traveller's checks when VCLASSIFIED: you received them?

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Any time I received them I turned them over to Mr.

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3	Q	Did you ever sign traveller's checks yourself for
4	deposit	into IBC's account, or for any other use?
5	A	No.
6	Q:	I take it that the traveller's checks were given to
7	you by h	fr. Calero in blank form?
8	A	Yes.
9	Q	You yourself never signed, or made out one of those
10	travelle	er's checks?
11	A	Not to my recollection.
12	Q	Do you know why Calero paid you in traveller's
13	checks?	
14	A	It was never explained to me.
15	Q	Did you ever ask him?
16	A	No.
17	Ω	To your knowledge, did
18	. A	Excuse me.
19	Q	Go ahead.
20	A	I have a sense that he did a lot of business in
21	travelle	er's checks because I either saw him using them for
22	other pu	rposes, or, he may have said something to me about
23	using tr	raveller's checks.
24	Q	Did Colonel North ever give you any blank travel-
25 2	ler's ch	necks? UNCLASSIFED

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Q To your knowledge, did Colonel North ever give Miller any blank traveller's checks?

A No.

No.

Q That is, Rich Miller.

A Yes.

Q Were you ever in the presence of Colonel North, or were you ever told that North gave anyone blank traveller's checks?

A No.

Q You mentioned a bit earlier today that you had State Department contracts that began shortly after your retirement from the United States Information Agency.

How many such contracts were there?

A We had a succession of purchase orders beginning in February 1984 which were made out initially to my name, but in fact I, we turned over any payment to Mr. Miller. At that time I was acting basically as his agent in dealing with the State Department.

There were two, maybe three of these under my name, and then I had, by the second purchase order agreement, I had requested that they be made out to IBC, that IBC be the contractor rather than myself because that in effect was what the relationship was.

But because of administrative reasons, they failed HAIDI ACCITIED

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to do so, and it wasn't until perhaps the fourth, or so, purchase order--third or fourth, I don't recall which--when IBC first appeared.

- Q Did IBC first appear at your request?
- A Yes. It was my request after the first contract, or first purchase order.
 - 0 How were those contracts obtained?
- A I met with the then executive officer, administrative officer of the Office of Public Diplomacy, and we discussed the range of services to be provided, and the compensation for them, and it was agreed to do it on a short-term basis of roughly two months each for an indefinite period.
- Q There came a point in time when at least one of the series of contracts or purchase order was classified as a secret contract. I think you mentioned that in your testimony this morning.

Do you know why that contract was classified as a secret contract?

A Yes. I have a version, an understanding--I've seen many since. I was under the impression that it was classified secret by the State Department because of the sensitivity both of what we were doing in handling visitors from Central America, and because of the relationship that we and the office had with Colonel North's office. There had been

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instances of foragous, political and otherwise, from wiedla-
gua, who, upon leaving Nicaragua, had found their families,
friends, and relatives, acquaintances, either persecuted,
questioned, arrested, tortured, jailedwhat have you.

And some of the people that we were handling—
that's not the right word—I prefer assisting, after they
reached the United States, both from Nicaragua and from El
Salvador, had well-founded fears for their personal safety.

- Q How did you arrive at the understanding that at least part of the reason for the classification of these contracts was because of the relationship between your office and Colonel North's office?
- A Because it was mentioned to me by both Mr. Miller and people at the Office of Public Diplomacy.
- Q Are you aware as to whether a particular individual requested that the State Department contracts be classified as secret?
- A I believe—again, this is secondhand—I believe that someone in the Office of Public Diplomacy, and I don't remember whether it was Jonathan Miller or John Blacken, recommended that it be classified.
- Q Was Jonathan Miller aware of the relationship between IBC and Colonel North's office?
- A He knew that we were doing work beyond the scope of the State Department, yes.

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1	Q Did Jonathan Miller know anything aboutto your
2	knowledgedid he know anything about the contra-funding
3	network among NEPL, IBC, IC, Inc. and Colonel North?
4	A No.
5	Q Did the State Department contracts allow for
6	initial regular contact between you and Mr. Calero, Mr.
7	Rubelo and Mr. Cruz?
8	A They did not even mention contact, nor were we
9	encouraged to have contact. The contact with them really
10	came up in the context of our dealings with Mr. North.
11	Q When did you first meet Jonathan Miller?
12	A When I started dealing with the Office of Public
13	Diplomacy.
14	Q Do you recall when that was?
15	A It was February of '84.
16	Q Was Jonathan Miller the State Department supervisor
17	of your contracts, or State Department contact for your
18	contracts with the Department?
19	A. Yes, in addition to an executive officer.
20	Q The Committees have received evidence that show
21	that you had at least several meetings that included both
22	North and Jonathan Miller, and yourself.
23	Do you recall the substance of those meetings?
24	A They had to do with general assistancepublic
 . 25	affairs, and political activities, either conducted by or on

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MALLER REPORTING CO., INC. 507 C Street, N.E. 25 programs between the Office of Public Diplomacy and North's office.

behalf of the resistance leadership, and coordination of

- Q You testified earlier, that to your knowledge,

 Jonathan Miller did not know of the contra-funding network?
 - A That's correct.
- Q Were you aware of any other dealings that Jonathan Miller had with Colonel North relating to contra assistance?
 - A Yes.
- Q Can you describe for us, to your knowledge, what those other dealings were.
- A They got into the realm of political counsel, and even direction, or attempts to direct the relationships, affect relationships among various of the resistance leaders, particularly in their level of cooperation, or non-cooperation vis-a-vis the Meskito Indians.
- Q How did you become aware of those dealings between North and Jonathan Miller?
- A Well, in May of 1985, I believe it was May 29th--I can't be certain. It could be May 1, but it was either the beginning or the end of the month. I was asked to go to Costa Rica in order to transmit back to Washington the translation of a declaration, the so-called "Declaration of San Jose" which the resistance leadership had worked out in meetings in Costa Rica, and prior to getting to Costa Rica.

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And this document was considered to be important because it laid out the philosophy of the group as far as their future ambitions, objectives for their country, Nicaragua.

Mr. Miller was also in Costa Rica, and held meetings at that time with one of the Meskito leaders, Brooklyn Rivera, who was the head of one of the factions, and I sat in on a meeting that Mr. Miller had with Mr. Rivera in a hotel room, during which he attempted to encourage him to

Who asked you to go to Costa Rica to interpret the San Jose declaration?

join forces with the resistance and to sign the declaration.

- Α To translate.
- To translate.
 - The Office of Public Diplomacy.
- Do you recall when you first met Rob Owen? 16
- 17 Α Yes.
- 0 When was that? 18
- The fall of 1984. 19
- In what context did you first meet Rob Owen? 20 0
- 21 I met him as an acquaintance of Colonel North.
- 22 Did North introduce you to Owen?
 - I don't remember the first time I met him, whether it was Colonel North who introduced me, or whether it was INCLASSIFIED

Adolfo Calero.

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Well, at first it was very unclear. At times, it looked like he was someone who was free-lancing, working independently on behalf of the cause and providing services gratis.

What did you understand Owen's relationship with

At other times it looked like he may have been in

the employ of the resistance, that is, the FDN, and still, at other times, it looked like he was taking direction from Colonel North. And the precise nature of his role was not clear to me until subsequent events.

- What do you mean when you say "until subsequent Q events"?
 - Until the newspapers.
- I just wanted to have you make that clear for the O Did you ever discuss with Owen the contra-funding network that NEPL, IBC, IC, Inc. and North were conducting?
 - No.
- Q Are you aware as to whether anyone else ever discussed that contra-assistance network with Owen?
 - A No.
- Were you aware that Owen was, for lack of a better word, planted by North at the Nicaraguan humanitarian aid office?
 - Α No, not at the time.

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1	Q	Is there some time during which you did become
2	aware that	t Owen was serving in that capacity?
3	A	When I read about it in the newspapers.
4	Q	That is, some time after November of 1986?
5	A	Yes.
6	Q	Was there a time at which you became aware that
7	Owen also	had an association with a group called the Institut
8	for Terro	rism and Sub-National Conflict?
9	A	Yes.
10	Q ,	Do you recall when you first became aware of Owen's
11	associatio	on with that organization?
12	A	Again, I learned about it through the newspapers.
13	Q	Do you recallwould you like to supplement your
14	previous a	answer?
15	A	Yes. I didn't know, at the time, that Owen was
16	involved,	but I had learned of the existence of an Institute-
17	-on Terro	rism and Sub-National Conflict?
18	· Q	That's correct.
19	A	I learned of its existence prior to November of '86
20	Q	Did you learn of its existence in connection with
21	signing a	letter distributing some funds to that organization
22	A	No.
23	Q	Do you recall having signed a letter, or having
24	been party	y to a Telex directly IC, Inc. to distribute \$75,000

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I recall it now, today, because I saw it on one of the exhibits that you showed me, but I either did not see it, or it did not register at the time that I signed the document on which those words appear.

was something else I read in the press prior to November 1986 about such an organization. It was in the context of television, or media, dealing with the subject of terrorism.

What made me recall the existence of the Institute

- Do you know Father Tom Dowling?
- I have met him and seen him.
- Have you ever talked to him?
- Not substantively.
- Do you recall IBC and IC, Inc. having made payments to a group called the Latin American Strategic Studies Institute?
- Α Yes.
 - Do you know who directs that Institute?
- Father Dowling, as far a I know.
- Did you have any understanding at the time, that the payments from IBC and IC, Inc. were made, as to what the purpose of those payments were to be?
- My understanding was that they were for political activities.
 - How did you arrive at that -- I'm sorry.
 - Public affairs. Because I knew of the, something of HAINI INNIFITH

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and some of the work that had been done by it in support of the FDN.

Did you ever discuss with Dowling the provision of assistance to the contras through what we've been referring to today as the contra-assistance network?

I have never had a substantive conversation with Father Dowling.

Do you know whether anyone else ever told him of the existence of this contra-assistance network?

Α . No.

Do you know an individual named Richard Pena?

Yes.

Can you tell me when you first met Mr. Pena.

I believe he and I had lunch when he was still working on the Hill. I don't remember the time.

0 Do you recall what year?

It was in 1985. '84 or '85.

Do you recall the reason why you had lunch with Mr.

Pena?

Well, I had heard of him, and we had spoken on the phone in regard to a visitor from Guatemala, I believe, and I knew that he was -- the visitor from Guatemala was interested

in meeting with Congressman Wright. And so I thought that because Pena was a fellow Hispanic, and a Texan, that he

could be helpful to me. liam loomen

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1	And I know that this, what I just described took
2	place. Whether that was the first contact with Richard Pena,
3	I'm not certain. I believe it was.
4	Q Did you have any subsequent dealings with Mr. Pena?
5	A Yes. I saw him at an American Council for Young
6	Political Leaders dinner in June, or so, of 1986, and since
7	he left his employment on Capitol Hill and joined a consulting
8	firm, I've seen him two or three times.
9	Q Have you had any business dealings with Mr. Pena?
10	A . We have discussed business opportunities, business
11	proposals, but neverthey were never formalized.
12	Q Did any of those business proposals concern the
13	provision of lethal supplies to the contras?
14	A No.
15	Q Are you aware that in August of 1986, that Mr. Pena
16	wrote a letter to World Affairs Counselors, Inc. enclosing a
17	list of lethal supplies and their availability, intended for
18	the contras?
19	A No.
20	Q Have you ever had any contact with Richard Secord?
21	A No.
22	Q Have you ever had any contact relating to contra
23	assistance with Vice President Bush?
24	A No.

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Have you ever had any contact relating to contra HAIOLACCITICA

art114 UNCLASSIFIED 114 assistance with Donald Gregg? 1 2 No. 3 0 The same question with respect to Felix Rodriguez. No. 4 Α 5 Do you recall, did you travel to Panama in November of 1986? 6 Yes. 7 Α 8 Did you travel with Mrankiller? Yes. 9 Q . Can you tell me what the purpose of that trip was. 10 11 It was to confer with a client on some public 12 affairs promotional activities. Did your business with that client have anything to 13 do with providing assistance to the Nicaraguan resistance? No. 15 16 Did the client make a payment to you, or Mr. Miller, while you were there? 17 Yes. 18 Was that payment a retainer of some sort? 19 It was a monthly fee, yes, or, more than a month. 21 I forget. 22 Was the payment made in cash? 23 Yes.

payment on a Treasury form as was required?

Did Mr. Miller report, to your knowledge, that cash

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A		Yes.	We w	vent	thro	ough	the	airport	together,	and]
vaited	for	him	while	e he	did	it.					

Q Is that a client whom you have continued to have contact with since November of 1986?

A The contract was suspended in December, and then renewed this spring.

Q Was it unusual for that client to have paid you in cash?

A We didn't like the idea of being paid in cash.

Q'. Do you know why the cash payment was made?

A Yes. Because they were late in payment. We'd been told that we were going to be paid when we got there, and we were ready to go the next day, had not been paid, and we insisted on being paid. So he arranged to have us paid in cash.

Q When was your last contact with Colonel North?

A August of 1986.

Q Do you recall the substance of that contact?

A Yes. I went to see him. I had told him that I was going to be--I was expecting to becoming involved in the client relationship in Panama, and I wanted to know whether there was anything that he could tell me about the relationship that would suggest that I not do it.

Q Was this the same client that you misited in November of 1986?

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A	Yes

Why did you think, at the time, that is, in August of 1986, that Colonel North would be able to provide you with any useful information about that potential client relationship?

- Just because of his access to information.
- Did Colonel North do anything in order to respond to your question?
- No. It was a very, very brief meeting. A few minutes.
 - Was there any follow-up on his part?
- No. 12
 - What did he in fact tell you about that potential client relationship?
 - He said he saw no reason not to take it.
 - Why were you concerned about taking on that client Q relationship?
 - Because of relationships between Panama and the

rest of Central America.

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It was basically a conversation based on friendship and

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confidence.

Were you aware of any money or other items of value that were given to North, or to his family, during your

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relationship with him?

A No.

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MR. PRECUP: That's a very broad question. Given by whom? And he earned a salary.

THE WITNESS: I'm aware of things that were reported in the press, but during the time that I was dealing with him, no.

MR. KAPLAN: My question meant to exclude salary,

and the like. We all consider our salaries from the Government to be a gift.

BY MR. KAPLAN:

12 Q When was the last time you had any contact with Mr.
13 Channell?

 ${\tt A}$. I guess about a year ago. More than a year ago. August, when we severed our relationship.

Q Did Channell not retain IBC at some point toward the end of last year, that is, December of 1986, to do some media relations for NEPL?

A I don't know the nature of the work that was being done. That could have been part of a media relations, yes.

Q But I take it you didn't have any contact with Channell in connection with that relationship?

A None.

Q Were the services performed by IBC on NEPL's behalf, pursuant to that relationship, all conducted by Mr.

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Is there any particular reason as to why you didn't participate in those services being performed by IBC?

I don't recall, exactly, how it was--how it evolved, only that I had other things to do, and Mr. Miller took the lead on that. I felt comfortable with that arrangement.

- When was your last contact with Dan Conrad? 0
- The same.

Yes.

Same time. Do you--

Wait a minute. I think we had a meeting, or he had a meeting with Mr. Miller in the fall of '86, at which time he discussed some ideas for assisting the Institute. Just some general concepts.

- Which Institute are you referring to?
- Institute for North-South Issues. 17
 - Do you recall the substance of your last contact with Channell?

No. See, I had phased down my involvement with Channell beginning in early 1986, so I had limited contact with him. I worked on the SDI program in the spring of '86, and, at that time had regular contact with him. But as far as other issues, particularly the Central American Freedom Program, I did not deal with him.

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I saw him, and attended a few meetings, but the
last substantive meeting, or occasion when I saw him, was
probably in July or August, and by that time Mr. Miller was
dealing with him almost on an exclusive basis.

Q You mentioned a bit earlier that you had some initial dealings with the fake Saudi prince al-Massoudi. When did your contact with al-Massoudi stop, and why?

A It stopped when he and Mr. Miller left for Europe. It didn't stop because he wasn't around anymore. The contact prior to that time was incidental. In other words, he might appear in the office and I would say hello, or to be kind, to keep him occupied, I had lunch with him once, and that's it.

Q Did you have any misgivings about the prince early on?

A I did.

Q Did you express those misgivings to Miller?

A Yes. We both had misgivings, and Mr. Miller conducted extensive research on his majesty, his highness, and did a lot of checking, and so much of it squared that he was at least sufficiently persuaded to continue to do business with him.

Q Did you have any contact with Colonel North about al-Massoudi?

A We may have had a telephone call, or the subject
may have come up at a meeting, but no extended contact. That

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Q Were you involved at all in the FBI investigation of al-Massoudi some time later in 1985 and 1986?

A No.

MR. KAPLAN: Off the record for a minute.

[Discussion off the record.]

BY MR. KAPLAN:

Q Did you have any knowledge of the Iranian arms sales prior to public disclosure of those sales in late 1986?

A No.

Q Did you have, and do you have, any knowledge of any proceeds from those sales being used for contra assistance prior to public disclosure of that event in November of 1986?

A No.

Q Do you have any knowledge of any proceeds from those sales making their way into either NEPL or IBC at any time?

 ${\tt A} = {\tt I}$ have read the allegations in the press. That's all.

Q But I take it you don't have any knowledge of your own, that money from the arms sales to Iran made their way into either Mr. Channell's organizations, or any of yours or Mr. Miller's organizations?

A That's correct.

Q Do you know anything about the business dealings of

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the Good	man Agency?
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A Only as they relate to the work that was performed on behalf of Mr. Channell.

Q Did you deal with the Goodman Agency in connection with that work?

· A Yes.

Q Do you have any knowledge as to whether any proceeds from the arms sales made their way into the Goodman Agency?

A No.

Q Did you have any knowledge, prior to public disclosure in late 1986, of any, what's been termed "third country solicitations" for contra assistance?

A No, although I had heard and read some press allegations to the effect that other countries were providing assistance to the cause.

Q Did you have any direct knowledge, other than what you have read in the press of other countries, providing assistance to the cause?

A No.

Q Did you have any knowledge of the Sultan of Brunei having made a contribution of \$100,000 to the resistance in early 1985?

A No.

Q Do you recall a meeting in Colonel North's office in February of 1985 with Otto Reich, Jonathan Miller,

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yourself, and Walt Raymond, in which among other things the Nicaraquan refugee fund dinner was discussed?

A I don't.

Q Would it refresh your recollection if I told you that a new board for that fund was also discussed at that meeting including members Louis Aquiar, Woody Jenkins, possibly a Dupont, and one other individual?

A No.

Q So I take it that it doesn't refresh your recollection as to whether you ever engaged in a conversation or meeting with the individuals that I've mentioned before, either collectively, or alone, about a \$100,000 contribution by the Sultan of Brunei to the resistance?

A Nothing that you've said has refreshed my recollection. There is no recollection.

Q Prior to public disclosure in late '86, did you have any knowledge of hostage-rescue efforts that were being conducted, either by or on behalf of the United States Government, relating to the hostages that were being held in Lebanon?

A I had no precise knowledge of any hostage efforts, hostage-rescue efforts, although Colonel North sometimes relayed his great concern over the plight of the hostages and the situation in the Middle East.

Q Were you or Mr. Miller ever asked to provide money

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to	extricate	the	hostages
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- A I was not asked to provide any money.
- Q Do you know whether Miller was ever asked to provide money to aid in efforts to extricate the hostages?
 - A I have no recollection of any such request.
- Q Do you recall any discussions that Mr. Miller had with Al-Massoudi about efforts to extricate the hostages being held in Lebanon?
 - A Yes.
- Q Can you tell us what the substance of those conversations was?

A This is secondhand from Mr. Miller. And, according to Mr. Miller, Mr. A-Massoudi claimed to have relationships with people in Saudi Arabia and perhaps beyond Saudi Arabia, that could feasibly be helpful in securing the release of the hostages. And his accounts were sufficiently credible to Mr. Miller to lead Mr. Miller to entertain proposals from Mr. Al-Massoudi about efforts to secure their release. They must have discussed it at some length. That's the extent of my knowledge.

MR. KAPLAN: I have no further questions. I want to thank you for your cooperation today.

Could we go off the record for a moment?
[Brief discussion off the record.]

EXAMINATION BY COUNSEL FOR

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BY MR. BUCK:

Q Mr. Gomez, have you ever seen Colonel North's slide 4 show, the famous slide show?

A Yes, several times.

Q In your opinion, was it accurate?

A In some respects I can say that it was accurate because I have been a witness to some of the things described in his show. In other instances, I have no way to assess his accuracy.

Q Did you take some of the photographs that were used in the slide show?

A Yes.

Q When did you take those photographs?

A February 1985.

Q And where did you take them?

town, a refugee settlement village

Another small

and in

19 the main contra base.

Q What were the circumstances surrounding the trip that you took down there? Did you take it for that purpose or--

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A No. I took it to assess the status of the refugees.

The Office of Public Diplomacy believed that the plight and
the number of the refugees was grossly ignored, people were

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unaware	01	f it	in the	United	i Stat	es,	and	felt	tha	t son	neti	ning
should	be	done	about	it. A	and so	I	was	asked	to	look	at	the
refugee	st	atus										

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HILLER REPORTING CO., INC. 107 C Street, N.E. 25 Weshington, D.C. 20002 When I told Colonel North that I would be going down there, he suggested that I arrange to go to the main camp as well to take pictures there as well. And there were many refugees in and around the camp as well. So that coincided with the main purpose of my visit.

- Q Approximately how many photographs did you give Colonel North?
- A I gave him the undeveloped rolls of film, perhaps three rolls--four rolls.
 - Q Sixty or 70, in that area?
 - A Yes.
 - Q How many did he use in his slide show?
- A There were various slide shows. He inserted them and took them out according to audiences and circumstances and so on. So I would say maybe a dozen overall.
- Q When did you give these slides to Colonel North, or the pictures to Colonel North?
 - A As soon as I returned from my trip.
 - Q Which was?
- A It was about a three- or four-day trip so it would have been in early February or mid-February.
 - Q Do you know what purpose Colonel North developed

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knowledge?

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the slide show for?

١	A 100, 1 mion one purpose chief in relation to me mig
	he wanted the pictures. And he wanted to portray the
	difficult circumstances under which the resistance was
	operating and living at the time, and refugees as well, thei
	needs.
	He said take pictures. He didn't order me, but he
	said I would like to have pictures of anything you can see,
	whatever you see.
	Q', I'm sorry, I forgot. What was the time frame
	again? What was the date of the trip?
	A February.
	Q Of 1985?
	A 1985.
	Q Was this before he met Carl Channell, to your

A I don't remember when he first met Mr. Channell.

Q Is it fair to say that, to your knowledge, the sole reason Colonel North developed the slide show was not for fundraising purposes?

A I could not say that because he never told me why he developed the slide show.

 $\ensuremath{\mathtt{Q}}$. It had to do with his concern for refugees though and not--

A My part of it, yes, was concern about the status of IIIINI ACCIFIED

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1	the situation, the conditions under which they were surviving
2	Q Do you know approximately how many times Colonel
3	"orth used his slide show?
4	A I only know about the slides that he showed to
5	groups that I was involved with in connection with Mr.
6	Channell, and that was maybe five or six.
7	Q During your contacts with Mr. Channell's organiza-
8	tions and Colonel North, were you ever present when Colonel
9	North solicited funds from any of Mr. Channell's contributors
10	A., Yes.
11	Q How would you describe Colonel North's role in
12	relation to Mr. Channell's contributors?
13	A His role was one of explaining the geopolitical
14	circumstances, geostrategic circumstances, of Central America
15	and implications of the Soviet presence in Nicaragua, Soviet-
16	Cuban presence, and describing what that means in terms of
17	U.S. national interest.
18	Q Were there any other roles that he filled?
19	A No. He portrayed the resistance as a noble group,
20	well-intentioned group, democratically oriented, and the
21	Sandinistas as the devil incarnate.
22	Q Was that accurate?
23	A Those are my words, but as
	O Well Till second them as your words

MILLER REPORTING CO., INC. 507 C Street, N.E. 2.5 Washington, D.C. 20002 At the time that Mr. Roberts allegedly used the HIAIN! ACCIFIEN

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	II.
1	words to describe IBC as the White House outside the White
2	House, are you aware of President Reagan having endorsed IBC
3	as a White House outside the White House?
4	A I've never heard of such an endorsement.
5	Q Have you heard of an endorsement by anybody in the
. 6	White House of IBC during that time period?
7	A No.
8	MR. BUCK: I have no further questions. Thank you.
9	MR. KAPLAN: Off the record.
10	[Brief recess.]
11	EXAMINATION BY COUNSEL FOR THE
12	HOUSE SELECT COMMITTEE
13	BY MR. OLIVER:
14	Q Mr. Gomez, you stated earlier that you served for
15	19 years and 10 months as a USIA employee.
16	Why did you retire from the USIA, or did you
17	retireor did you resign?
18	A I retired. In 1980 the Congress passed the Foreign
19	Service Reform Act, which had a three-year grace period for
20	people to convert to Senior Foreign Service or Civil Service,
21	or leave.
22	The requirement to convert was challenged by a
23	State Department officer, also at Grade 2 which I was, and he

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category who so desired should have the option to retire

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early with an annuity.

The option was applicable to a very narrow range of officers for whom early retirement was an attractive course in that one had to have senior rank, which I had, still be sufficiently young to be credible as a beginning second-career person and, third,, to have sufficient years in to make the annuity worthwhile. And I met all those conditions.

Third, at the time, I was completing what would have been a normal tour of duty in Washington, and was actively being considered for assignment overseas again, and was discussing such assignments with my wife. They included Africa, where we had been, and our experiences in Africa and Haiti were very unpleasant. And for a variety of reasons, I did not want to go overseas again, particularly if it included Africa and not going with my family. Our children were in high school.

So it's one of those foreign service experiences. When the opportunity arose to leave early, I decided to take it.

MR. KAPLAN: Can we go off the record?
[Briefly off the record.]

BY MR. OLIVER:

Q You stated, in response to one of Mr. Kaplan's earlier questions, that all of the contracts that you had with the State Department, even those that were in your name,

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1 were really contracts with both you and Rich Miller. I believe you used the term you were an agent for Rich Miller.

Yes.

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Why were you acting in that capacity? Why weren't both of you on the contract and why wasn't the contract with IBC?

Because, in our understanding, when we first established the relationship, it was agreed that I would be a consultant to him. I did not have a salary as such. I was to be compensated on the basis of our income. And after the first purchase order was signed, and it came in my name and everything was handled in my name as an individual, we discussed it and we agreed that it should be an IBC purchase order rather than in my name, my individual name. And we requested that it so be done.

But it wasn't done until two or three purchase orders later.

Q When did you first begin to discuss this arrangement with Rich Miller, the arrangement of your becoming a consultant?

I think around November of 1983 as I began to explore options for employment post-USIA. November or December.

You were exploring in the fall of 1983 the possibility of a contract with AID, is that correct? HAIGH AGGIERE

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No, I don't think it's correct. [Pause]

Do you remember discussing your future employment with the counselor of USIA in the fall of 1983?

Yes.

Who was the counselor at that time?

I don't remember. If you mentioned the name, I'm sure I can recall. It could have been Jack -- oh, he just died, cancer.

MR. OLIVER: I would like to ask the reporter to mark this Gomez Exhibit No. 7.

> [The document referred to was marked for identification as Gomez Deposition Exhibit No. 7.]

BY MR. OLIVER:

That is a memorandum from Frank Gomez to the counselor -- I assume that's the counselor at USIA since you were an employee there at that time--dated September 30, 1983.

I'm not done reviewing it yet. So identify it as Α you will.

The subject is "Support for Central American Training Proposal."

I would like to ask the witness to examine this document, and ask you if this refreshes your recollection about the discussions of an AID contract.

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I know I wrote--I don't remember who the counselor

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2 was. 3 Did you write a proposal for an AID Central 4 American training proposal? I don't recall right now. 5 May I see the document for just a moment? 6 Do you recall any response from the counselor to 7 8 that memorandum? No, I don't. 9 [Pause] 10 11 Do you recall any discussions with John Scafe in the Office of the Special Advisor of the Secretary on Central 12 13 America about a Central American training proposal in the fall of 1983? 14 Yes. 15 What do you recall about those discussions? 16 Well, there was something that had come up in an 17 interagency context dealing with Central America, and the 18 agency, USIA, was interested in developing programs to 19 improve the capability of Central American, particularly 20 Salvadoran, spokespersons because the situation in El Salvador 21 vis-a-vis the press and human rights and the military was 22

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brainstorming, what can we do, this sort of thing.

very serious. And there were a lot of discussions going on

about that time, rather freeflowing discussions, almost like

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1		And I was asked to produce a couple of studies or
- 1		or recommendations how might I be used later, what
3	could the	agency do immediately to address those problems.

- We were discussing this Central American training proposal and you indicated that there have been interagency discussion. Did you sit in on this interagency discussion?
 - Α Probably not.
 - How did you know about it?
- Through the bureaucratic channels, my superiors, others in the Agency, and USIA, who were dealing with this as one of the priority issues.
- Do you know what the interagency group that was discussing it was called?
- No. I never sat in at that point. I was not in a position that required me to deal with things on a geographic basis and so I learned about such discussions from those who were dealing with things on a geographic basis. My responsibilities were fundamentally world-wide, at the time. issues.
- Have you discussed the six or seven contracts that you or IBC had at the State Department with the Inspector General?
 - Α Yes.
- Did you tell the Inspector General, at the time, that you were acting as an agent for Rich Miller on those IILINI AOOITITN

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early contracts	
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A I didn't use those words, but I told him that I
was a consultant to Mr. Miller and that shortly after
initiating the first purchase order, we agreed that the rest
should be in IBC's name. Mr. Miller was my employer.

Q Did Mr. Miller have anything to do with the performance of those contracts that were in your name?

A Yes, we worked together on them. I did most of the work, however, but we conferred regularly on them.

Q . As a principle, I believe you were the president for the Institute for North South Issues, is that correct?

A Yes.

Q Were you the chief executive officer--

A No.

Q Of that organization?

A No, the organization never really got started in the way we hoped it would function and the administrative matters relating to it were minimal at the outset. I did deal with the attorneys in efforts to incorporate, to register in the District of Columbia and to get IRS status.

Q From which Government agencies did INSI receive contracts?

A The only agencies for which we provided services were the NED and USIA, I believe.

Q Did you also have a contract with the Department of

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State?

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A We had a contract, yes, for roughly a month--September of 1985.

Q What was the purpose of that contract?

A The Office of Public Diplomacy had been very eager, for many months, to improve its distribution system and had wanted us, going back to the Fall of the previous year, to assist them with it. Nothing happened until the Summer of 1985, at which time a series of meetings took place and they asked us to take on a new task, which was to evaluate the present problem, devise a new system, and put it in place.

All this took place about in--the last meetings--in late August and they said, well, can we add something to your contract now, that will cover this additional work. That was deemed to be rather awkward at the time since we were just completing a fiscal year. It was too early to begin for the next fiscal year so they looked for a mechanism whereby we could get paid, or the services could be provided, and someone could get paid for providing those services, without adding to the existing IBC contract. It was selected.

MR. PRECUP: Wait a minute. I don't think the witness has stated that, Mr. Oliver.

So you had two simultaneous contracts?

BY MR. OLIVER:

Q Did the contract with INCICE concurrently with an

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existing with IBC with the Department of State?

A With two companies, yes.

Q And you and Rich Miller were the principals on both of those contracts?

A I was the principal for the contract on INSI and Mr. Miller was the principal for the contract at State Department.

- Q They were both State Department contracts?
- A Yes.
- $\ensuremath{\mathtt{Q}}$. Did you recommend a change in the distribution system, as a result of that one-month contract?

A The one-month contract was designed to evaluate the existing system, or lack thereof, and to make specific recommendations and those recommendations were made.

- Q And then thereafter, did IBC enter into a contract to perform distribution for the Department of State?
 - A Yes and to set up the system.
 - Q Did you recommend that in the INSI report?
- A I don't recall that we recommended it specifically, that IBC get a contract. We recommended certain steps be taken and we pointed out some of the shortcomings in the existing system.
- Q The contracts that you had with USIA for INSI, were those arranged by you or by Mr. Miller?
 - A By me

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But Mr. Miller was the principal on those contracts

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2 also? 3 No. I was for INSI. For INSI. And did he have any participation in the 4 performance of those contracts? 5 Α No. 6 7 Did Mr. Miller have any participation in the performance of the contracts with NED? 8 No. 9 Α Was the Office of Latin American Public Diplomacy 10 involved, in any way, in your application or in your securing 11 of contracts with USIA or with NED? No. Α. 13 Was the White House or the National Security 14 Council involved in any way? 15 No. 16 I'd like to go back, if I can for a moment, to the 17 discussion you had earlier with Mr. Kaplan about the Heritage 18 19 Foundation grant and I would like to ask the reporter to mark, as Gomez Exhibit 8, a group of documents which relate 20 to the Heritage Foundation grant to the Institute for North 21 22 South Issues. The top page is a letter dated September 12,

1985, from the Institute for North South Issues to Dr. Edwin

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Feulner, and is signed by Rich Miller.

(The documents referred to were

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marked for identification as

Gomez Exhibit No. 8.)

BY MR. OLIVER:

Q I'd like to ask you to examine the first two pages of that exhibit, Mr. Gomez, and tell me if you recall that proposal, if you have ever seen that proposal before.

A The first two pages?

Q The first two pages?

A Yes.

Q . Have you seen that document before?

A I've seen it, after the fact, not when it was

12 written.

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. 13	Q You did not participate in the preparation of this
14	document in any way?
15	A No.
16	Q When did you first see this document?
17	A I believe it was later, when Mr. Miller approached
18	$\stackrel{\cdot}{\text{me}}$ about making arrangements to transfer funds. By later, I
19	mean perhaps, October-November.
20	Q October-November of 1985.7
21	A Yes.
22	Q Did INSI, in fact, perform these functions for
23	return for the \$100,000 grant?
_ 24	A Not directly. I know nothing relating to these
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Q well, the proposal indicates that the Institute will provide all conference arrangements. It seems to indicate that you will perform this function and you indicate that you're prepared to begin immediately on the program. It doesn't indicate that anyone else is going to perform these services.

A That's right.

Q Did anyone else perform these services?

A I can't be certain that no one performed the services because I don't know what the final disposition of the resources was.

12	Q Do you have any information that these services
13	were ever performed?
14	A NO.
15	Q Would you turn to the third page of this exhibit,
16	which is a letter dated October 15, 1985, to Mr. Richard
17	Miller from Edwin Feulner? That letter indicates that they
18	are forwarding a check in the amount of \$100,000, as requested
19	in your letter.
20	A Yes.
21	Q And says that they would appreciate receiving
22	reports from you as to the uses to which these funds have
23	been put. It also asks for a tax-exempt letter and it also
24	indicates that they assume that these funds will be used in
экс, 25	accordance with the stated purposes of your 501(c)(3). Were

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you a 501(c)(3) at that time?

A No.

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- Q Did you see this letter at the time it came in?
- A I can't give you a precise answer whether I saw it at the time that it came in or later. I remember discussing the matter orally with Mr. Miller because I dealt with no one at the Heritage Foundation.

MR. PRECUP: At about the time it was sent?

THE WITNESS: At this time, yes.

BY MR. OLIVER:

- Q Did Mr. Miller inform you that INSI had received a \$100,000 grant from the Heritage Poundation?
- A He informed me that one was coming and then when it was received, I learned about it.
- Q When he told you that one was coming, did he tell you what it was for?
 - A Yes.
 - Q What did he tell you it was for?
- A He said it was to conduct information programs, political programs and activities, in support of the Nicaraquan resistance.
 - Q When you say political programs, what do you mean?
- A That's what he told me. I presume it means providing for expenses for public affairs activities, platforms, conferences, seminars, meetings, travel.

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	Q	Di	d t	he p	ropo	sal	th	at yo	u ju	st e	exami	ne on	pag	jes	
and	2,	indic	ate	, ir	any	way	7, 1	that	this	pro	gram	will	be	to	
supp	ort	the	dem	ocra	tic	resi	ist	ance	in N	ican	ragua	?			

- A You say in my reading of it?
- Q Yes.

A Not in so many words, but it does refer to Central America and U.S. foreign and economic policy, the perceptions of Central Americans.

Q Do you know whether or not Mr. Feulner was ever informed that you were not a 501(c)(3) organization?

MR. PRECUP: I have to object to that because, if you will note, the letter that is a part of this exhibit, Mr. Oliver, you will see that the advanced ruling period begins on the date of inception of the organization, which is quite a bit antedated, the date of the letter itself. It certainly takes time for the IRS to come through with the final letter, but can't state that this is retroactive.

MR. OLIVER: Counsel, I had just asked the witness earlier whether or not they were a 501(c)(3) organization at the time that they received this grant and his answer was no.

MR. PRECUP: Yes, but the witness, as you know, is not a tax attorney or an attorney at all so please, don't get hung up on his lack of knowledge of tax laws. The letter speaks for itself and it's part of your exhibit.

BY MR. OLIVER:

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Do you know whether or not your organization, INSI,

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as	a	501	(c)	(3)	at	the	time	it	recei	ved	this	grant	t?	
	A		I	don	t	know	exact	ly	when	the	grant	was	received	

and exactly what day the Institute became a 501(c)(3).

Q Why did you answer the question a moment ago in the

A Because I was looking at this date, September 12, 1985, which, I believe, your question referred to the proposal and my understanding, at that time, September 12, 1985, was that we had not yet received the response from IRS.

Q If you would turn to page 4 of this exhibit, which is a letter from the Institute for North South Issues to Dr. Feulner, signed by you, I believe. Is that your signature?

A Yes.

Q Do you recall the circumstances surrounding this letter?

A Somewhat.

Q At the time you sent this letter, did you attempt to determine what had been done on the grant proposal?

A Yes. I asked Mr. Miller how these funds were used and he responded that they were transferred to, I believe, the Strategic Studies Institute or--I don't know the exact name of the organization--which, in turn, carried out public information and other political activities.

Q In the letter, you say that "we are compiling IINIOI ACCITIED

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1	several final information pieces."
2	A Yes.
3	Q Did you compile those information pieces?
4	A Mr. Miller may have compiled them. I did not.
5	Q Why did you say "we"?
6	A I used the "we" in the context of the organization
7	This letter was drafted by Mr. Miller and presented to me for
8	my signature.
9	Q Why didn't he sign the letter?
10	A I don't know.
11	Q What prompted the letter in May of 1986?
12	A I don't know, other than his request for informa-
13	tion.
14	Q You indicate in the letter that the request had
15	been some six months prior to this time.
16	A Yes.
17	Q What was the cause of the delay?
18	· A I don't know.
19	Q I believe you indicated earlier that the treatmen
20	of this \$100,000 grant was that a \$20,000 administrative fe
21	was taken out by INSI and then approximately \$80,000I
22	believe that was the figure you recallwas sent to the IC
23	account in the Cayman Islands, is that correct?

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A That's correct.

Q Did Colonel North direct you to spend that money
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for a program, such as the one outlined in the proposal to the Heritage Foundation?

Colonel North didn't direct me, personally, to do anything with respect to the use of any monies. He may have directed, or requested, Mr. Miller to use it in some way and I'm not privy to what they discussed. I only can tell you what I was told by Mr. Miller and that was that these monies, the monies derived from the Heritage contribution were used for information and political activities. That's the extent of my knowledge.

I believe you indicated earlier that once money was transferred into the IC account, you regarded that money as, basically, to be spent at the direction of Colonel North?

Yes.

So then you would have known that the money from the Heritage Foundation went into an account, whose disbursements were directed by Colonel North, is that correct?

Yes, although at the time, at the discussions of the contribution from the Heritage Foundation were taking place, the system, the procedure, under which Mr. Miller and Mr. North agreed to dispose of funds, was just beginning to function. So, it was not clear in my mind exactly how transfers would take place, where they would go, and who would receive them and so on.

Was your signature required on documents causing Q

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money to be transferred from IC to other accounts?

- A I believe so.
- Q So you would have been aware of the transfers of funds from IC to any other entity?

A Yes, but I've stated previously that the handling of such transfers was routinely performed by Mr. Miller, who put a piece of paper in front of me for my signature and sometimes I either did not review, or gave a very cursory review, to them before signing. So, I cannot say that in every instance, I was aware of both the amount of the transfer and the destination of the transfer.

Q At the time that Mr. Miller informed you of the proposal that had been presented to the Heritage Foundation, or at the time that he informed you that the money had been received from the Heritage Foundation, did he tell you that the National Strategy Information Center was involved in any way?

- A Did Mr. Miller tell me?
- Q Yes.

MR. PRECUP: May we have the name of that organization?

MR. OLIVER: National Strategy Information Center.

MR. GOMEZ: No, he didn't tell me. I don't believe

he told me.

BY MR. OLIVER:

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Q	Do	you	know	Roy	Godson?
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A Yes. I don't know him. I've never met him personally. I know who he is.

Q How do you know that? How do you know who Mr. Godson is?

A I've seen him on television. I've seen books that he's written. I've seen references to him in the media.

Q To your knowledge, was he ever involved with the Institute for North South Issues in any way?

A' No.

Q To your knowledge, was he involved, in any way, in the Heritage Foundation grant?

A Yes, but I don't exactly how, only that he and Mr.

Miller had conversations and I think Mr. Godson had conversations at Column North.

tions--his conversations with Mr. Godson and Mr. Godson's conversations with Colonel North?

ller tell

A Mr. Godson, I believe--I can't be certain--was acting on behalf of the Heritage Foundation or in connection with the Heritage Foundation, but I cannot go beyond that in terms of being more precise with respect to their relationship.

Q Did he ever mention to you that any funds from this grant were to be used:

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_ 1	A No.
2	Q Would you turn to page five of this exhibit and
3	examine that document? It is a memorandum to fileto the
4	file Anthony Williams, CPA and INSI director from Richard
5	Miller, treasurer, dated December 1, 1986. Subject:
6	Heritage Foundation grant of October 15, 1986.
7	You are a director of INSI. Is that correct?
8	A Right.
9	Q Did you receive this memorandum on or about
10	December, 1, 1986?
11	A I don't recall seeing this before.
12	Q Did you ever discuss the Heritage Foundation grant
13	with Mr. Miller in December of 1986 or approximately there-
14	abouts?
15	MR. PRECUP: May I just make a comment here? I
16	don't want to raise an objection. It appears from looking at
17	these documents that there may be two different Heritage
18	Foundation grants about which the documents speak: one on
19	October 15, 1985, one on October 15, 1986. So to say the
20	Heritage Foundation grant creates an ambiguity.
21	MR. OLIVER: You are right, counsel. It does say
22	that. And we have tried to determine through our investiga-
23	tion whether or not there were two Heritage Foundation grants
. 24	of \$100,000. And what we have been able to determine is that

TC Sure. N.E. 25 phere was only one and that this is probably a typographical whingen. D.C. 2002

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1	error in Mr. Miller's memorandum, because we have been able
2	to determine that there was only one grant of \$100,000
3	through INSI from the Heritage Foundation, through the
4	examination of bank records and through the testimony of
5	other witnesses.
6	MR. PRECUP: Yes. And does this document refer to
7	\$100,000this is page five now, of Exhibit 8? I don't see
8	that. Would you point it out to me?
9	MR. OLIVER: This document does not refer to
10	\$100,000. But there was only one grant in the records of IBC
11	or INSI from the Heritage Foundation, and it was for \$100,000
12	and it was on October 15, 1985.
13	[Brief discussion off the record.]
14	BY MR. OLIVER:
15	Q Mr. Gomez, is it your belief that the Institute for
16	North-South Issues received only one grant from the Heritage
17	Foundation during 1985 and 1986?
18	A I have been told and read in the press and discussed
19	with Mr. Miller another grant, which so far has beennot
20	been explained to me. I know nothing of it.
21	Q What did he tell you the other grant was for?
22	A He said he didn't know.
23	Q Did he know of another grant?
24	A I have seen references to another grant.

Did he tell you he knew of another grant?

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[Brief discussion off the record.]

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MR. OLIVER: Mr. Gomez, your recollection of the transfer of \$80,000 to IC and the documents that we have before us don't appear to agree. I wonder if you could tell me what really was happening here? What was the mechanism that was being utilized for these transfers of funds and this correspondence?

He said he was trying to find out what it was.

any transfers of funds from INSI for whatever purpose and relating to the Heritage Foundation were handled by Mr. Miller. My dealings with INSI dealt--or concerned programs for which the Institute was created--that is, administration, planning--of visiting groups, interchanges, exchanges, and so on--international visitors coming to the United States.

MR. GOMEZ: All of the matters relating to INSI and

Therefore, I am unable to explain any discrepancies that you may find in the records relating to transfers from the Heritage Foundation to INSI and beyond.

> MR. OLIVER: Could we take a three-minute break? [Brief recess.]

BY MR. OLIVER:

Mr. Gomez, did you receive statements--bank statements -- from the IC bank accounts in the Cayman Islands?

No.

How did you verify what transactions had taken Q IIIIOI ACOUTETA

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1 place in the IC account?

MR. PRECUP: If you did.

MR. GOMEZ: I didn't.

BY MR. OLIVER:

Q Were you aware of any of the transfers from the IC account to other entities at Colonel North's direction at the time they took place?

A No.

Q But your signature was required for each one of these transfers.

A I don't know if it was required for every one.

Only--I have been shown documents that I signed, and I recognize having signed them. What I was signing, however, I don't recall, and I can't say that I signed every one--every transfer that ever took place.

Q Have you ever heard of an organization or an entity known as Parke-Feld Enterprises?

A No.

MR. PRECUP: Parke-Feld?

MR. OLIVER: Parke-Feld--P-A-R-K-E-F-E-L-D.

BY MR. OLIVER:

Q Do you have any knowledge why money would have been transferred from the IC bank accounts to Parke-Feld Enterprises?

A No.

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Q Have you ever discussed the Heritage Foundation grant with any officials of the Heritage Foundation?

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Q Do you know Walt Raymond?

A Yes.

Q When did you first meet Walt Raymond?

A In 1983--no, wait a minute, I'm sorry--probably

981. I was at the State Department and obviously working in

the Bureau of Public Affairs.

at a later time when he was serving in another capacity?

A I saw him later when he went to the NSC as director of public information or assistant or deputy assistant in charge of public diplomacy or information--policy. I forget

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However, I saw him very rarely in that capacity-that context.

- Did you participate in meetings at the White House in which Mr. Raymond participated in 1984, 1985, 1986?
 - Yes.
 - What were those meetings?
- They were general meetings to discuss planned information policy relating to Central America.
- Q . Did you participate in a program designed to influence the congressional vote on aid to the contras in 1985 or 1986?
- Yes.
- Could you tell me about your participation in those activities?
- Well, this was a program -- an information program -which Mr. Channell and his organizations asked IBC to undertake. And it entailed a good deal of research on congressional districts and voting records of members of Congress from those districts with respect to assistance to the Nicaraguan resistance.

It also concerned identifying key media in those districts in which to direct programs -- through which to direct programs and coordination of a speaker's program in those areas also. HNCI ACCIPIED

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My role in this program was rather marginal,
however, in that I frequently talked to researchers and
staffers about their progress on the work so that it would be
finished and so that it could be presented in time for a
meeting with Mr. Channell.

- Q What was Walt Raymond's role in that effort?
- A None, to my knowledge.
- Q I believe my question was whether or not you participated in meetings in the White House in which Mr. Raymond participated.
 - A Yes.
- Q But the meetings in which he participated with you had nothing to do with the legislative effort.

A That's correct. This--my meetings with him were perhaps a year, a year and a half before anything dealing with the legislative effort.

MR. OLIVER: I'd like to ask the reporter to mark this document as Gomez Exhibit No. 9. It is a memorandum from Oliver North to Robert McFarlane dated March 20, 1985, and the subject is timing and the Nicaraguan assistance vote.

It's--there is an attachment to it entitled "Chronological Event Checklist". I'd like to ask you to show that document to the witness and ask him to examine it, in particular the Chronological Event Checklist.

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[The document referred to was

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1	marked for identification as
2	Gomez Deposition Exhibit No. 9.]
3	BY MR. OLIVER:
4	Q Have you ever seen the Chronological Checklist
5	before?
6	A I haven't gotten to it.
7	Q My question is whether you've ever seen this
8	Chronological Event Checklist or a similar document in the
9	same format.
0	A _ The State Department Office of Public Diplomacy
1	sometimes created chronologies with forthcoming events with
2	action assignments for various people. And my name may have
3	appeared on one or more of those.
4	Q Did you see those documents?
5	A Sometimes. Now, you asked whether I have seen this
6	one. I had not seen it at the timeFebruary of '85March
7	20.
8	Q Your name appearsor the name Gomez appearsin
9	paragraph five of the first page of the Chronological Event
0	Checklist. It indicates that the responsibility shared with
1	Colonel North and the NSC is to encourage U.S. media reporter

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A That was something that we had been doing routinely.

to meet individual FDN fighters with proven combat records in

the media field. Was that your assignment?

Q And did you work with Colonel North in carrying out

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this responsibility?

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Not in a direct way, no.

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We were eager to get interviews for anybody on the resistance side throughout this entire period. So this is a rather routine sort of thing.

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Were you aware of the responsibilities that these other people were given in this Chronological Event Checklist?

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Has been de-classified?

Yes, it has been de-classified.

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I would have to say that I wasn't aware of the detail of it and that my knowledge of it is limited to some -two things: one, input from myself and from Richard Miller

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regarding some things that we thought ought to be done vis a

vis the media and the resistance; and two, whatever aspects

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of this that would relate to the Office of Public Diplomacy.

16

But I have not seen this document in this form.

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Have you seen a similar document in this form?

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As I stated previously, I have seen documents prepared by LPD--Office of Public Diplomacy--at the State

19 20

Department with a similar format. In other words, they're

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identifying forthcoming events and trying to anticipate

planned actions and assigning planning responsibility or

23 program responsibility to individuals.

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logical events checklists?

Did Colonel North's name appear on those chrono-

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I don't recall.

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Did Mr. Raymond's name appear on them?

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I believe so.

What was your relationship with Mr. Raymond during the period that you performing your contract for the Depart-

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ment of State?

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I had very limited contact with him. attended a meeting.

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What meetings would he attend?

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A Perhaps a meeting in Otto Reich's office or a conference -- a larger meeting in a conference room at the

11 12

State Department.

13

Did you ever attend any meetings with him in the White House?

14

Maybe once or twice.

15

Do you remember what those meetings might have been

I remember seeing in the -- same thing: information

16

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about?

programs, strategies.

Yes.

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I met him through Mr. Miller, because the Gulf and Caribbean Foundation, of which Mr. Kuykendahl is a representative, was a client of IBC.

Do you know Dan Kuykendahl?

How do you know Dan Kuykendahl?

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Kuykendahl's--or in a townhouse on Capitol 👊 🗓

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I have attended meetings there, yes.

What were the purposes of those meetings?

Some were to brief various representatives of groups supportive of the White House policy on what was going on in Central America. Some were to plan information-related strategies -- congressional - related strategies.

Who else attended those meetings on a regular basis?

Did you attend meetings which took place I Mr.

Well, I only attended one or two of those meetings, so I can't say who attended regularly. There were representatives of various public interest groups around Washington and of course Mr. Kuykendahl, Mr. Channell sometimes.

Did Mr. North--Colonel North attend any of those meetings?

I believe I saw him at one meeting at Kuykendahl's.

Were those meetings primarily to discuss legislative strategy?

Well, I didn't discuss or attend but maybe one of the meetings that had to do with anything relating to legislative strategy, so I cannot characterize other meetings that may have taken place.

The one that I attended had to do with legislative IINCLASSIBLE strategy, yes.

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- Q Do you remember when that meeting took place?

 A No.
- Q Could it have been February 11, 1985? Does that
- A It could be.

sound like the approximate date?

- Q Did it have to do with the vote that was to take place in 1985 on contra aid?
- A Well, I've lost sense of the timing of what was being debated on the Hill and meetings and so on. It could have been.

I know that there was a lot of activity among various people concerned with the issue and that meetings were taking place in a lot of places around Washington in support—in an effort to support the White House.

- Q Did Rob Owen attend any of those meetings?
- 16 A Not to my knowledge.
 - Q Do you recall any meetings with Colonel North in which you and Mr. Kuykendahl and Rob Owen and Rich or Jonathan Miller occurred-
- 20 A At any time?
- 21 Q At any time.
 - A Yes. I can't say that every one of those persons was present. There--in the fall of 1985--I'm sorry--the fall of 1984, when we were--after we had more or less established a relationship--the working relationship--with Colonel North

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2	and Colonel North and Mr. Owenwe may have all come togethe
3	in a meeting at the time in Colonel North's office.
4	But I don't rememberI can't associate such a
5	meeting with any specific program or activity. Just one of
6	many meetings.
7	I do recall once when Mr. Owen presented asome
8	suggestionsa written memorandumon how to gain favorable
9	publicity for the resistance leadership. And it was handed
10	to me. We looked at itRich Miller and I looked at itand
11	decided not to pay any attention to it.
12	Q Who handed it to you?
13	A Owen.
14	Q Did you ever get a call from Jonathan Miller askin
15	you to contact Adolfo Calero to take out major fund-raising
16	ad?
17	A No.
18	. Q Did you ever contact Adolfo Calero about a major
19	fund-raising ad?
20	A No.
21	Q You indicated that you were working on a project
22	for Mr. Channell that had to do with examining congressional
23	districtsmedias in those districts and that sort of thing.

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who in the IBC organization carried out the

Would you describe to me what IBC's role was in

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responsibilities related to that requirement?

A Our job, fundamentally, was to relate congressional districts and votes concerning aid to the resistance to media and media channels, avenues in order to carry out a program

designed to influence public opinion in those districts.

O Who did that on the IBC staff?

A Well, Mr. Miller oversaw the effort generally.

Steve Schwartz was in charge of the political--the congressional side of things. Rafael Flores was looking at the congressional districts also, doing a lot of research on that.

Q Was this in 1986?

A Yes.

Q I'm just trying to put it in a time frame. There were two votes--one series of votes in '85 and one in '86.

A There was no program in 1985. This was in 1986, beginning in the fall and leading up to January-February. I think the vote was moving on the calendar constantly.

And other staffers were concerned with identifying media in each of those districts and planning appearances by people in those districts.

Q Do you know Bruce Cameron?

A Yes.

0 When did you first meet Bruce Cameron?

A I don't recall the circumstances under which we first met.

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. 1	MR. OLIVER: I'd like to show you a document, and
2	then we can discuss this.
3	I'd like to ask the reporter to mark this as Gomez
4	Exhibit No. 10.
5	Do you have a copy of that document, Mr. Gomez?
6	MR. GOMEZ: Yes.
7	MR. OLIVER: The document is a memorandum for Spitz
8	Channell from Rich Miller and Frank Gomez; subject: freedom
9	program; dated January 9, 1986.
10	[The document referred to was
11	marked for identification as
12	Gomez Deposition Exhibit No.
13	10.]
14	BY MR. OLIVER:
15	Q Do you remember this memo? Do you recognize this
16	memo?
17	A I have to read it.
18	I recall the circumstances. Whether I recall the
19	memo specifically, I can't say.
20	Q Could you tell me what you remember about the
21	circumstances?
22	A Basically what is reflected in the memo.
23	Q Who is the confidential source that's referred to
24	in this memo?

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I don't know. At this point, I was dealing on a

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very limited basis with Mr. Channell and the programs related

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2	to him, although I was briefed from time to time by Mr.
3	Miller on his relationship with Mr. Channell and the Bruce
4	Cameron relationship also.
5	Q Who briefed you?
6	A Mr. Miller.
7	Q And what did he tell you about the Bruce Cameron-
8	Spitz Channell relationship?
9	A Precisely thiswhat's in this memo.
10	Where is the reference to the confidential source?
11	Q If you look in the second paragraph, it says, "We
12	know Bruce personally, but through a confidential source we
13	have learned that he is in dire need of a job. It has
14	occurred to us, therefore, with some extra thinking by our
15	source, that he could be extremely helpful in the Central
16	American freedom program."
17	That doesn't help you remember who your source
18	might have been?
19	A No, I don't know who the source is.
20	Q Do you remember what caused you to send this
21	memorandum to Mr. Channell?
22	A It was Mr. Channell's concern to do something on
23	the Hillto be effective on the Hill. Up until that time h
24	had been primarily relying on Mr. Kuykendahl for assessments

And as you know, Mr. Kuykendahl is a Republican

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_ 1	and former member of Congress. And it was allit had long
2	been felt within the Channell organization that they should
3	have someone on the Democratic side who could work with them
4	also.
5	Q Do you know whether or not Bruce Cameron was hired
6	by Spitz Channell?
7	X I believe he was.
8	Q Was he hired through PRODEMCA?
9	A I don't know what the administrative relationship
10	wasor arrangement.
11	Q And what did he do for Mr. Channel?
12	A Did analysis of the forthcoming vote, how things
13	would stack up, maybe personal contactwhat we would
14	describe as lobbying.
15	Q What was your involvement in the legislative effort
16	in 1986?
17	A None.
18	Q Did you attend the meetings where the legislative
19	strategy was discussed?
20	A One, maybe.
21	Q This was at Mr. Kuykendahl's townhouse.
22	A Oneyou asked specifically previously about
23	legislative meetings at Mr. Kuykendahl's house. I attended
24	one meeting there.
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And there were other meetings with strictly INNOLACCICIED

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1	Channell representatives in our offices which took place in a
2	conference room adjacent to my office, and so I saw the
3	meetings taking place and sometimes sat in for a few minutes
4	at those meetings.
5	Q And they were primarily concerned with the legisla-
6	tive effort?
7	A No, they were concerned with things overallthat
8	is, public information, research, the legislative effort,
9	other projects that Channell was working on.
10	Q . Were any of those meetings concerned primarily with
11	the legislative effort?
12	A Yes.
13	Q Did you attend any of those?
14	A I don't know how many. There were a lot of
15	meetings. I may have attended two or three.
16	Q Do you remember who else attended those meetings
17	that were concerned with the legislative effort?
18	A Dan Kuykendahl attended from time to time. Bruce
19	Cameron attended, although I do not recall myself attending a
20	meeting in our offices where Bruce Cameron was also there. I
21	do recall attending meetings when Spitz Channell and Dan
22	Kuykendahl were there and others from our staff.
23	Q Did Penn Kemble attend those meetings?
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L	attend	the	meeting.
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Q . What was Penn Kemble's role in this program that you were conducting for Mr. Channell?

A He played no specific role, as far as I am able to determine. But as I related to you earlier, I am looking at this from some distance, because I did not attend that meeting. I don't even remember whether he attended the Kuykendahl meeting.

The only thing I remember is that he attended meetings on this subject at our offices.

Q Do you remember a luncheon meeting on September 10, 1984 which took place in your offices at 1607 New Hampshire Avenue?

A Yes.

Q With Rich Miller, Jonathan Miller, and Oliver North?

A Yes. I remember that a meeting took place.

Q What was the purpose of that meeting, and what can you remember about it?

A It was to discuss programs--information, public diplomacy programs--relating to the State Department office and their relationship to the resistance. That's all.

Q Why was Oliver North there?

A Because he had been working in conjunction with the Office of Public Diplomacy at the State Department.

This was shortly after I had met him for the first

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1	time, which I said was at a swearing-in ceremony for Ambas-
2	sador whatever to Guatemala. I'm sorry. And I believe it
3	was primarily to get acquainted better and to understand
4	roles, to discuss programs.
5	Q Did you discuss the nature of your State Departmen
6	relationship with Mr. Miller or Colonel North at that
7	meetingwith Mr. Jonathan Miller?
8	A No, I don't think sonot in any specific sense.
9	As I recall, we were discussing programs. We may
10	have discussed what we do for the State Departmentyou know
11	we write articles; we translate articles; we serve as
12	interpreters; we debrief visitors; we arrange media events,
13	press conferences, and so on.
14	Q Was it shortly after that meeting that you began
15	work on the secret contract for the Department of State?
16	A No.
17	Q Was it shortly after that that you
18	A You said September 11, 1984.
19	Q Was it shortly after that that you entered into an
20	agreement with the State Department that was substantially
	for a substantially larger fee than you had previously been

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obtaining?

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- A Yes. It began the next fiscal year.
- Q Was that discussed at that meeting?
- A No, I don't think so.

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Do you recall a meeting--a lunch--on June 5, 1985

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2	at the IB	C offices with yourself, Jonathan Miller, Otto
3	Reich, an	d Oliver North?
4	· A	June 5, 1985.
5	Q	$\operatorname{\mathtt{Did}}\nolimits_{\cdot}\operatorname{\mathtt{you}}$ call a luncheon with those participants at
6	your offic	ce around that time?
7	A	Yes.
8	Q	What was the purpose of that luncheon? What was
9	the busin	ess that was discussed there?
10	A	Public diplomacy.
11	Q	Did you discuss the legislative effort at all?
12	A	I can't say specifically what was discussed beyond

Did you ever discuss with Otto Reich or Jonathan Miller the work you were doing for Spitz Channell?

public diplomacy programs.

No. Only perhaps to the extent that we were performing work--services--for them. But not in greater detail, no. We might have told them that X, Y, or Z event was going to take place if it was useful for them to know about it.

We sometimes kept them abreast of Channell-sponsored activities because they coincided or conflicted with things that the Office of Public Diplomacy was carrying out.

Did you regard what you were doing for Spitz Channell to be complementary to what you were doing for the HAIPI ACCIEIED

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Office of Public Diplomacy at the Department of State?

A Yes.

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Q Did you discuss the fundraising activities of Spitz Channell's organizations that you were involved in with Otto Reich or Jonathan Miller?

A No.

Q Why not?

A Because it was a separate matter for another client.

We did discuss the fundraising for the public information program that began in the fall of 1985 and went into '86, yes.

Q Why?

A Because they involved the use of various speakers that sometimes had contact with the Office of Public Diplomacy.

Q Do you recall a meeting on February 11, 1985 with Colonel North, Walt Raymond, Jonathan Miller, yourself, and Otto Reich to discuss the NRF fundraising dinner?

A No. I remember attending a meeting relating to the NRF fundraising dinner, but I don't remember where or when it took place and who participated.

Q I'd like to ask the--do you recall a message to
Colonel North from you and/or Rich Miller relating to Spark
to call off Rizo in June of 1985? Do you know what that

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would have referred to?

3 subject.

O A phone call--a phone message.

A I remember speaking to Mr. North about Mr. Rizo and also Mr. Miller being concerned about Mr. Rizo's activities.

I don't remember a memo or anything written on that

Q What was the concern?

A I believe it had to do with the Nicaraguan refugee fund dinner and recovering profits from it, if there were any.

Q Who was Mr. Rizo?

A Mr. Rizo--I think his first name is Alvaro-A-L-V-A-R-O--is a Nicaraguan-born U.S. resident--maybe a
citizen; I don't know--who was working on behalf of--either
as a volunteer or paid; I don't know either--of the Nicaraguan
Democratic Resistance.

I'm sorry, that's not the right name--the FDN. The resistance was created later.

But again, I was--the reason I'm vague--and I'm sorry for sounding vague--is because I was on the periphery of whatever issue Mr. Rizo and Mr. Miller and Mr. North were concerned with.

Q Did Mr. Miller--Rich Miller--have any expertise in Central America prior to the forming of IBC?

A A little, in that he had been director of Public

Affairs for All Affairs fo

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1	I was deputy assistant secretary or state for Fubite Affairs.
2	And in that capacity, I did a good deal of public speaking
3	and work, planning onat the timeSan Salvador and to a
4	lesser extent Nicaragua.
5	Mr. Miller attended meetingsplanning meetingsat
6	that time at the State Department and had to be very familiar
7	with not only the public diplomacy issuespublic information
8	issuesbut also AID programs in the countries of the region.
9	Q Do you recall a meetingthis may have been
10	referred to earlier, and I may have forgotten. Do you recall
11	a meeting in July of 1985 between you and Rich Miller,
12	Colonel North, Spitz Channell, and Dan Conrad at which
13	Colonel North indicated to Channell and Conrad that from that
14	point forward they should forward the money that they raised
15	through their fundraising activities to IBC?
16	A I don't remember the circumstances of such a
17	meeting, if I attended.
18	I believe I would have recalled that, given from
19	whom the instruction or the direction was coming from. That
20	would have made an impression on me, so
21	Q In June of 1985, early in your relationshipIBC's
22	relationship with Spitz Channell's organizationsyou
23	assisted in the organization of a briefing followed by a
24	dinner at which a check for \$50,000 or \$60,000 was presented
INC. 25	to Mr. Calero directly by Mr. Channell. Is that correct?

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1	A I don't know how much money was presented. Some
2	money was presented to Mr. Calero.
3	Q But you knew that money was presented directly to
4	Mr. Calero by Mr. Channell at the conclusion of this fund-
5	raising event?
6	A Yeah. Whether I was actually there when it was
7	presented, I don't remember. But I understood that some
8	money was presented to Mr. Calero.
9	Q Well, if you can't recall the meeting at which
10	Colonel North may have instructed Channell and Conrad to
11	funnel the moneyor to give the money to IBC, what is your
12	recollection of how IBC came to be the recipient of these
13	large sums of money from Spitz Channell's organization?
14	A My recollection is that Mr. Miller informed me of
15	the procedures to be followed.
16	Q But you don't remember participating in the meeting
17	where thiswhere Mr. North told Mr. Channell and Mr. Conrad
18	this was the way it was to be done.
19	A No, I don't remember that meeting.
20	Q Did IBC have any relationship with Bragg Communica-
21	tions or with Lyn Nofziger that related in any way to Central
22	America or to the Democratic Resistance?
23	A In late fall of '85 or early '86, Mr. Channell

24 sought Mr. Miller's recommendations in order to acquire

additional political advice across the board. And--

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_ 1	Q Was there a financial arrangement between IBC and
2	Bragg Communications or Lyn Nofziger?
3	A Not that I am aware of.
4	Q You mentioned earlier LPD and Mr. John Blacken.
5	What was your relationship with John Blacken? What did you
6	perceive his role to be with IBC?
7	A Afterthere was a great deal of turnover in the
8	Office of Public Diplomacy at a certain point. Ambassador
9	Reich had gone to Venezuela, was phasing out, Jonathan Mille
10	was either working at the NSC or spending a good deal of tim
11	there.
12	And Mr. Blacken wasbecame the acting director of
13	the office or the de <u>facto</u> director of the office. And he
14	was the person with whom I maintained my most direct contact
15	Q This would have been in 1985 or 1986?
16	A Both.
17	Q Do you know Jake Jacobowitz?
18	· A Yes.
19	Q What was his relationship to IBC?
20	A He was one of the members of the staff of LPD. An
21	in that capacity, he and I consulted from time to time on
22	projects that we were both working onsometimes jointly,
23	sometimes separately, but related.
24	Q Was he the person to whom the presentation by IBC
25	was made for the contract which was classified secret?

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_ 1	A No. That presentation was made to Mr. Blacken, and	
2	I don't remember the timing. I don't think MryeahMr.	
3	Reich.	
4	Q Did Mr. Jacobowitz's sister work for IBC?	
5	A Yes, sir.	
6	Q When did she come to work for IBC?	
7	A She started September 1, 1985.	
8	Q Was she involved in any way in the presentation of	
9	the IBC proposal to the Department of State for the contract	
10	that was classified as secret?	
11	A No.	
12	Q You were the one that made the presentation to the	
. 13	State Department. Is that correct?	
14	A Yes. Mr. Miller and myself, yes.	
15	Q And you do not recall Jake Jacobowitz or his sister	
16	being involved in the negotiation or presentation of that	
17	contract.	
18	Your answer is no?	
19	A They did not participate in the negotiation or	
20	presentation.	
21	Q How did Jake Jacobowitz's sister come to be	
22	employed by IBC?	
23	A In about June or July I met her in the hallway of	
24	the Department. She was introduced to me by him, and he	
25	proceeded to go on to a meeting or whatever.	
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We were in a narrow corridor, and we spoke for a few minutes, as people do when they meet for the first time.

I asked her the usual questions about where she was from and what she did.

She explained it, and she said that she had been considering moving to Washington and looking for a job in Washington.

And I said, "Well, come see us. Maybe we can give you an assist."

So she came to see me and described her skills in greater detail, and I said that kind of expertise—I concluded that that kind of expertise was something that we had been looking for in our office—computers and distribution and marketing and so on—and that we had had proposals from the State Department to get involved in a distribution program—improving their distribution system and that she might fit into that.

I didn't talk to her again for several weeks. She went back to New York.

In the meantime, I interviewed other people for that, because the State Department had become very exercised about the need to begin working on this. And when it became clear that they wanted us to move very quickly to get things straightened out in the distribution I contacted her, and we discussed salary and services and scope of responsibilities.

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1	Ω	This was September 1, 1985?
2	A	September 1 is when she started working.
3	Q	Am I correct in recalling that August of 1985 was
4	when y	ou had the one-month contract from INSI?
5	A	No, it was September of '85September 1 to
6	Septem	ber 30, 1985.
7	Q	To analyze the distribution system.
8	A	Yes.
9	Q	And then it was after that period of time that yo
10	began v	work on the large
11	A	Of the new contract.
12	· , Q	new contract.
13	A	Yes.
14	Q	When did you actually sign the contract?
15	A	I didn't sign it. Mr. Millerif anyone signed
16	on our	side, it would have been signed by Mr. Miller, and
17	that we	as, I think, in September of last yearor August of
18	làst ye	ear. I don't remember exactly when.
19	Q	Do you remember any problems that the Defense
20	Invest	igative Service has had in trying to obtain the
21	informa	ation from IBC that they needed in order to complete
22	securi	cy clearance for your offices?
23	A	I remember theirour efforts to contact them and
24	to arra	ange meetings and to follow up on calls from them and

MILLER REPORTING CO., INC 507 C Street, N.E. 25 Washington, D.C. 20002 (2021 MACAGAA to provide information to them and the difficulty of getting IINICIACCITIEN

them to respond to our requests, yes.

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MILLER REPORTING CO., INC 507 C Street, N.E. 25 Washington, D.C. 20002 I remember also hearing back from the State

Department that they had alleged to the State Department that

we were not being cooperative. And we were stunned by that,

because it was in our interest to be as cooperative as

possible.

 $$\operatorname{And}$$ I got the impression that it was just a bureaucratic problem.

- Q Did you write a letter to the State Department telling them that those complaints were unfounded?
 - A I don't recall writing a letter.
- Q Do you recall a time when Colonel North used his influence with the Department of State to make an emergency payment to IBC in response to a bill that--of April 1985?
- A Yeah, I remember both the period under discussion as well as media accounts about that.
- Q Could you tell me why Colonel North was involved in that?
- A I can conjecture, and that is Mr. Miller was impatient with the slowness of the payments from the State Department. Getting paid from State had always been a problem. And he asked Mr. North to use his good offices to get us paid in a timely fashion.
 - Q And did he do that?
 - A I understand he did.

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Q And were you paid?
A Yes.
Q At that time, was the State Department your largest
single client? Did you have any other clients at that time?
A Yes.
Q Who wereI don't want to ask you about your other
clients that are unrelated to this, but I would like to ask
you whether or not there were anyif you had any clients who
paid you as much as the State Department did.
MR. PRECUP: Can you specify the time a little more
carefully? You say at this time, but
MR. OLIVER: I'm talking about April of 1985.
MR. GOMEZ: Okay. I believe State was the largest
BY MR. OLIVER:
Q How much of your time were you spending on the
State Department contract?
A Almost all of it.
. Q What were you doing during that period of time?
A Translating documents; writing articles, letters to
the editor; planning strategies.
[Brief recess.]
BY MR. OLIVER:
Q Would it be correct to say that your main source o
income during that period of time was the State Department

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1	A You're talking 1985?
2	Q $$ I'm talking about the spring of 1985.
3	A Yeah.
4	Q Since the formation of IBC, other than the income
5	you received from Spitz Channell's organization, was the
6	State Department your largest source of income in 1985 and
7	1986?
8	[Brief recess.]
9	BY MR. OLIVER:
10	Q On the IBC contract, Mr. Gomez, did you and/or Rich
11	Miller have a meeting with Mr. Robert Wegan in the fall of
12	1986 to discuss the services that you have performed for the
13	Department of State?
14	A Yes.
15	Q What was the purposewhat was discussed at that
16	meeting?
17	A Well, as I recall, Mr. Kegan had just recently come
18	on board as the new head of the Office of Public Diplomacy.
19	Or he was actually serving in Elliott Abrams' office. I
20	think John Blacken was still there in Public Diplomacy. But
21	he was going to move into it or was already moving or
22	something.
23	And we just briefed him about what we were doing.
24	Q Did you submit a written report to him?

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I don't recall one. UNCLASSIFIT

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_ 1	ų v	And on the basis of that briefing, did he certify
2	that the v	ork had been performed?
3	A	I don't recall any discussion of any certification
4	of any kir	nd with him in that meeting.
5		We're talking fall
6	Q	Of 1986.
7	A	of '86.
8	Q	I believe the contract was signed in early September
9	1986. Is	that correct?
10	A ',	Yes.
11	Q	And you were paid for the performance of that
12	contract i	n October and November of 1986. Is that correct?
13	A	I don't remember when the payment was.
14	Q	The sum was
15	A	I'm sorry. I was thinking 1985.
16		You're talking about a meeting with Mr. Kegan
17	Q	Yes.
18	· A	after he had been in the Office of Public
19	Diplomacy	as head
20	Q	Yes.
21	A	after the contract had expired. And it was to
22	certify fo	r himfor us to render a report.
23	Q	Yes. UNCLASSIFIE
24	A	Yes. A report was presented.
ER REPORTING CO., INC. Street, N.E. 25	Q	A report was presented prior to your being paid.

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1	A I don't know ifyes, I think so.
2	Q How did you pay the employees of IBC for the work
3	on the State Department contract between October 1, 1985 and
4	September 30, 1986 if you had notwere not paid by the State
5	Department until after the contract had been performed?
6	A With great difficulty. We literally paid it out of
7	our own salaries. We had no money. We were using whatever
8	other income we had from other clients to meet expenses and
9	pay the employees. And in so doing, we took virtually no
10	income ourselves.
11	Q Did you pay the employees out of the funds you
12	received from Spitz Channell's organizations?
13	A And others.
14	Q Your answer is yes.
15	A Yes.
16	Q Do you recall a check for \$60,000 being received by
17	the Institute for North-South Issues from a Mr. James
18	MacAleer?
19	A I have never heard of it.
20	Q Do you know of a \$60,000 payment from INSI to IC
21	from a contributor in Pennsylvania in the fall of 1985?
22	A I have seen references in some accounts somewhere,
23	whether the media or some other report somewhere aboutoh,
24	it came up from our accountants. They asked me if I knew
25 22	about such a payment, and I said no. INCLASSIFIFN

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1	Q	Did you ask Mr. Miller about it?
2	A	Yes.
3	Q	What did he say?
4	A	He said he didn't know.
5	Q	He said he didn't know that such a payment had been
6	made.	
7	A	He said he didn't know what it was.
8	Q	Do you recall a contribution to IC from a Mr.
9	Herbert B	arness in the amount of \$5,000?
10	Α.,	I don't recall ever hearing the name or any
11	contribut	ion associated with it.
12	Q	Did IBC prepare a report on the activities of
13	organizat	ions in the United States who were supporting the
14	Sandinist	as?
15	A	I don't know whether the report can be characterized
16	precisely	as you have characterized it, but a report was
17	prepared -	on organizations which are critical of the admini-
18	stration	and may be favorably disposed to the Sandinistas. I
19	wouldn't-	-
20	Q	When was that report prepared?
21	A	It began in the fall.
22	Ω	Of what year?
23	A	Of 1986.
24	Q	Who paid for the report?
NC. 25	A	Mr. Channell. UNCLASSIFIFD

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-	Q	What did you do with the report?
	A	I didn't do anything with the report.
	Q	What did IBC do with the report? How was it
	disseminat	ed? Do you know?
	A	Mr. Miller presented it to Mr. Channell.
	Q	Who worked on the report on the IBC staff?
İ	A 1	Mr. Miller, Ms. Jacobs. The principal work was
	done by th	ose two, and other staffers were
	Q	Did Oliver North have anything to do with that
ļ	report?	
	A 1	Not to my knowledge. In fact, I don't believe Mr.
	Miller had	any contact with Mr. North after November.
	. Q	You testified earlier that yourIBC'scontractual
	relationsh	ip with Mr. Channell's organizations was terminated
	I believe,	in August of 1986. Is that correct?
	Α .	July or August.
	Q	And whendid there come a time in December of 1986
	that IBC w	as retained once again by Spitz Channell's organiza
	tions?	

A Yes. I don't know the exact time of it.

Q What was the purpose of that arrangement with Mr.

Channell's organizations?

A I believe it was to assist in--one, preparing this report, for one thing; and second, to assist in the public relations for Channell and the publicity that was being--had

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1 begun around that time

- Q What did you do--what services did you perform for Mr. Channel in regard to the latter subject?
 - A I personally performed no services.

Mr. Miller performed services, and I think it was primarily counsel on how to handle certain issues.

- Q You were not involved in any way in that aspect of your relationship with Mr. Channell?
 - A No.
- 10 Q Were you and Mr. Miller equal partners in IBC in 1986?
 - A We had an agreement which we called a partnership agreement that began in 1986, but he referred to himself as the managing partner or the senior partner. And in effect, there was very little in the relationship that was different from the earlier relationship—my work as a consultant to him.
 - Q Did you split the fees from clients with Mr. Miller?
- 18 A Yes.
- 19 Q Did you split the fee which--
 - A We split profits--I'm sorry--not fees. He handled all administrative matters, all accounts--banking, accounting, everything--and the decisions that go along with those. From time to time, I was consulted. Other times I wasn't.
 - Q So in effect, you worked for Mr. Miller. Is that what you're saying?

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1	A On some things, yes. On other things, I had the
2	lead.
3	Q What things did you have the lead on?
4	A Well, on the State Department. As far as the
5	execution of the work, I was substantively responsible. In
6	other words, I was the one who developed strategies, trans-
7	lated, executed, received visitors, interpreted, and worked
8	most directly in conjunction with people in LPD, whereas his
9	primary concern was with the contracting and payments.
10	And he also did a good deal of work on the distri-
11	bution system. I did not feel that that was my area of
12	expertise.
13	Q Was part of IBC's relationship with Spitz Channell
14	in December-JanuaryDecember of 1986, January and February
15	of 1987to reconstruct the accounts to determine for Mr.
16	Channell how the money had been spent which he had forwarded
17	to IBC?
18	A There was a report that was prepared by Mr. Miller
19	that had to do with the disbursements of monies received from
20	Mr. Channell. And exactly where that report fit in with othe
21	things that Mr. Miller did for Mr. Channell, I don't know. I
22	never saw the report. I only know that it was being prepared
23	Q You did not work on the report.
24	A NO. IINCLASSIFIED

Did you have any meetings with Dan Kuykendahl in

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1	1987?	OMOTVOOMITO
2	Α.	In 1987?
3	0	1987.
4	A	No, I don't think so.
5	0	Do you recall any discussions with Dan Kuykendahl
	_	•
6	in 1987 r∈	egarding this investigation?
7	A	Discussions between me and Dan Kuykendahl?
8	Q	Or discussions at which he was present and par-
9	ticipated.	
10	A ',	No.
11	Q	Are you aware of any of the activities or any role
12	that Dan K	uykendahl played in advising Spitz Channell's
13	organizati	ons, relative to this investigation?
14	A	I don't have any first-hand knowledge of it. I
15	understand	that there was a relationship, but I don't know
16	precisely	what Mr. Kuykendahl was doing for Mr. Channell.
17	Q	How are you aware of that relationship?
18	A	Through Mr. Miller.
19	Q	And what did he tell you about it?
20	A	I believe he told me that Mr. Kuykendahl was going
21	to try to	get helpful information into the hands of sym-
22	pathetic m	nembers of Congress.

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I don't know if it's related to the investigation

specifically, but that was the number-one concern at the time.

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. 1	Q Did you ever meet Bill Casey?
2	A Never
3	Q Did you ever meet Bob Earl?
4	A Never
5	Q Did you ever meet Ken deGraffenreid?
6	A No.
7	Q Did you ever meet Al Sapia-Bosch?
8	A No.
9	Q: Nestor Sanchez?
10	A , Yes.
11	Q In what capacity did you meet Nestor Sanchez?
12	A I think the first time I met him was when I was at
13	the Foreign Press Center, and he briefed the foreign jour-
14	nalists on Central America.
15	Q Did you work with Nestor Sanchez in any way in 198
16	and 1986 on programs that related to Central America?
17	A No.
18	Q Do you recall a meeting in the White House in 1985
19	in Oliver North's office or in the situation room where you
20	and Rich Miller, Otto Reich, Jonathan Miller, Nestor Sanchez
21	Walt Raymond, Jeff Bell, and Jack Abramoff were present?
22	A Yes. I remember a meeting in the situation room in
23	which Abramoff andthe Bell name I would not have recalled,
24	but I do recall Abramoff.
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And Lew Lehrman.

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And what was the purpose of that meeting?

3

I don't know if Mr. Sanchez was there. My sense is that he was not, but I cannot be 100 percent certain.

What was the purpose of the meeting?

6

Yes.

7

As I understand it, the meeting was requested by Mr. Lehrman of Mr. North in order to offer a proposal to conduct a nationwide public information campaign on behalf of

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the administration's policy in Central America.

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But the proposal never went beyond that meeting, to my understanding, because at the same time that they were asking--or proposing to run they program, they were asking money to run it.

Were any of the grants which the Institute for North-South Issues received from the National Endowment for Democracy in any way related to support for the Democratic Rèsistance in Nicaraqua?

- In no way.
- I'm glad to hear that.
- Well, I am proud of the work that the Institute did in conjunction with the NED. We--I think we did a fine, honest, credible job for the NED and for everyone else which we worked as the Institute.

And it -- I'm distressed that we have had to sever

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1	the relationship because of other things.
2	Q Do you know Linda Chavez?
3	A Not well. I know her, but not well.
4	Q Did she havewhat was her involvement with IBC?
5	A She was a contact at the White House that Rich
6	Miller turned to to assist Mr. Channell in arranging for
7	briefings.
8	I don't recall ever speaking to her myself. I kno
9	her from other activities in Washington having nothing to do
10	with her professional responsibilities.
11	Q Do you know Mark Richards?
12	A Yes.
13	Q How do you know Mark Richards?
14	A He was a consultant to the Office of Public
15	Diplomacy at the same time I was.
16	Q What was his job?
17	A He prepared reports on military activities in
18	Central America, analyzed, answeredhe dealt with a lot of
19	the mediaarranged-+he briefed journalists who were in
20	Central American on what was going on there. But from the
21	perspective of a person that understood warfare, weaponry,
22	and so oncapabilities, movements.
23	Q Did you participate in any of the briefings that h

MELLER REPORTING CO., INC. 507 C Street, N.E. 25 Washington, D.C. 20002 did for the media?

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Let me just sum up some of the salient points that you've made today.

It was your testimony that the transfer of funds from IC to other entities and from IBC to IC in the Cayman Islands was done by Mr. Miller at the direction of Colonel North. Is that correct?

Yes.

It was your testimony that you were not aware of where the money was going from IC to other entities. Is that correct?

I was not aware of what the entities were. sometimes saw what the entities were specified on documents, but I had no understanding of what they were, in most instances.

It was only after the fact since some of these things have been made public that I have been made aware of the full names and the locations and so on of the organizations.

At that time you did not know what they were.

At the time, I did not know what they were.

And you simply signed the required papers for these transfers that were prepared by Mr. Miller at his request.

Α That's correct.

MR. OLIVER: I have no further questions, Mr.

I appreciate your patience. Sorry we kept you here Gomez.

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so long.

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I have no questions, Mr. Gomez.

Thank you very much.

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(Whereupon, the taking of the deposition concluded

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PLEASE TRANSFER THE FOLLOWING AMOUNTS FROM THE BENCLAY'S BRAK PLC ACCOUNT FOR INTEL CO-OPERATION INC.:

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TO; BORCLAYS BONE PLC 548 BRICKE, HIRMI FLORIDO 33131 TLY: 518783 GCCOUNT MUMBER: 00508-3476-27821

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CREDIT TO ACCOUNT FOR; LATIN AMERICAN STRETERIC STUDIES INSTITUTE 1886 COOL SPETIMES ORIGE RECHMORTA, VIRGINIA 22306 ACCOUNT MAMBER 6516-688-17

TO, AMERICAN SECURITY BANK, N.A. HABHIMSTON, D.C.

TO, INTERCONTINENTIA, BOOK 1395 BATCKE, RADRAE HIMI, FLORIDO FOR CREDIT TO ROCCURT HAMBER 6181885764

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June 13, 1986

RM 01236

Mr. David M. Piesing Senior Administrator Cayhaven Corporation Services Limited Barclays Bank Building Georgetovn, Grand Cayman Cayman Islands

Dear Mr. Piesing;

This letter is to confirm our telex to you on this date, instructing you to transfer from the Intel Co-operation Inc. account at Barclay's Bank PLC the following amount:

Five hundred thousand US dollars (\$500,000)

to: Barclays Bank PLC
848 Brickel
Mismi, Florida 33131
TLX; 518783
Account number: 00500-3470-27821

Seven thousand US dollars (17,000)

to;



Five thousand US dollars (15,000)

to; Sowin Bank, N.A. Richmond, Virginia Telex 823468

> Credit to account for; Latin American Strategic Studies Institute 1806 Cool Springs Drive Alexandria, Virginia 22308 Account number 0510-000-17

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page 2, piesing, June 13, 1986

seventy five thousand US dollars (\$75,000) RM 01237

American/Security Bank, N.A. Washington, D.C.

Credit to account for;

ten thousand US dollars (\$10,000)

Intercontinental Bank 1395 Brickel Avenue Missi, Florida

for credit to account number 6101005764

Thank you for your direction of these matters.

Sincerely,

Richard R.

Director

Intel Co-operation Inc.

Director Intel Co-operation Inc.

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RPTS THOMAS

DCMM KOEHLER

DEPOSITION OF ADAM GOODMAN

Monday, September 14, 1987

House of Representatives,

Select Committee to Investigate Covert

Arms Transactions with Iran,

Washington, D.C.

The select committee met, pursuant to call, at 10:10 a.m. in B-352, Rayburn House Office Building, with Thomas Fryman (Staff Counsel of House Select Committee) presiding.

Present: Thomas Fryman, Staff Counsel, Spencer Oliver, Counsel, Victor Zangla, Staff, on behalf of the House Select Committee on Covert Arms Transactions with Iran; Henry J. Flynn, Investigator, on behalf of the Senate Select Committee on Secret Military Assistance to Iran and the Micaraguan Opposition; Allen L. Schwait and James H. Scott of Frank, Bernstein, Conaway & Goldman, 300 East Lombard Street, Baltimore, Maryland, on behalf of the witness.



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HAME:	HIR257000 UNULLIGORILD PAGE 2
24	. BY MR. FRYMAM:
25	. Q Let's go on the record then. Would you state your
26	full name for the record.
27	. A Nichael Adam Goodman.
28	. 2 And in what city do you reside, Mr. Goodman?
29	(త్రాగ్రామం) . A Technically, Glyndon, Maryland, It is just north
30	of Baltimore.
3 1	. Q Do you work in Baltimore?
32	. A Our offices are located just north of Baltimore in
33	a little town called Brooklandville. It is ten minutes
34	north of the city, about an hour from Washington.
35	. Q You are employed by the Robert Goodman Agency, is
36	that correct?
37	. A That is correct.
38	. 2 What is your position there?
39	. A My current position is I am vica-president, and
40	also referred to as a political director of the agency. I
41	am one of two vice-presidents under the president and
42	founder, Bob Goodman.
43	. Q Are you one of the owners of the agency?
44	. A No, I have no equity or stake in it.
45	. Q Where did you attend college?
46	. A Went to Haverford College.
47	. Q Did you obtain a degree?
48	. A I did, a B.A. in history.

Ε:	HIR257000 UNCLASSIFIED PAGE 3
49	. Q What year?
50	A Graduated in 1977.
51	Q Did you attend graduate school?
52	. A No, I have taken a few courses here and there but
53	nothing formal.
54	. Q Have you worked for the Goodman Agency since 1977?
55	. A No, I started there in January of 1982. I have
56	been there now about five and a half years.
57	. Q What did you do between 1977 and 1982?
58	. A Many things. I started off working for nearly a
59	year at Manufacturers' Hanover Trust in New York City, in
60	their investment trust division, then I went from there to
6 1	go campaign in Oklahoma, a campaign for governor. The
62	candidate was Ron Shotts, the Republican nominee that year.
63	Unfortunately, he fell a few votes short.
64	. My position in the campaign was deputy press secretary.
65	When that didn't quite pan out, I then decided to honor my
66	Peace Corps. yearnings and went back into public interest
67	law and to that end, my mom was in Tucson, Arizona, so I
68	thought I would go there and really get a little dose of
69	social work under my belt.
70	. This was the kind of thing I felt comfortable with and,
71	at that point, I worked for the Tucson Urban Leegue, Big
72	Brothers. I did some work in the Pima County Jail system,
73	counseling young people as they just came in, what their

rights were, and And I supported myself from a number of things, from waiting on tables to 75 doing some advertising, marketing, really selling ad f. space 76 77 for a professional volley-ball team, of all things, and along the way met some people who were interested in solar 78 79 energy. And that seemed to jibe with my feeling about what I 80 wanted to do with my life at that point. Within a month or 81 so, I raised \$25,000 in capital and started a solar energy 83 corporation in Tucson, and I think now we are talking about 84 1979, I think, mid-1979. And about six, seven, eight months into the experience when I found all I could afford was 86 oatmeal and generio beer at night instead of three-course (than) meals, I found this less that optimal, and about that time I 87 got a call from a campaign gosser up in Washington state, who needed a press secretary. 89 The candidate was the current Secretary of State, then 90 Secretary of State, Bruce Chapman, who is a moderate to liberal Republican, a heck of a nice guy, and I did his 92 press through the primary. He lost to the eventual winner, 93 John Spellman, King County Executive at that point, and went from there to working for Marilyn Ward, who was running for 95

State Treasurer, who was in a quixotio race but a marvelous

legitimacy, but we did awful well. I think we lost 54 to 46

woman, and we had a heck of a time trying to get the

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NAME: HIR257000 UNGLASSIFIED to someone who had been in more than 20 years. 100 . And after that experience, really another month or two 101 before I was asked to join the Republican State Committee of Washington state and did their communications and press. 102 And we are now in the first part of 1981, and worked 103 104 throughout the remainder of the year trying to adjust to 105 being a new found conservative regular Republican, which 106 wasn't always easy to do, or successful. 107 . At the end of that year, I think it was in December, my 108 father called me and said, ''Look Adam, I think you have 109 been out on the trail long enough, we are having a very busy year in 1982, I would love you to come back and consider 1101 coming back and joining us.'' And that challenge was the 111 112 fact I was trying to get out of a relationship with someone 113 for a year and a half, and who I had met in Arizona. It 114 seemed the only way I could delicately get out of the 115 relationship was to move 3,000 miles across the country. 116 I did that and joined the firm in January of 1982 and 117 have been there ever since. 118 [Discussion off the record.] 119 BY MR. FRYMAN: 120 Well, back on the record. 121 I take it from your answer, you have not served in the

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military, is that correct?

A No, I have not.

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NAME:	HIR257000 UNULASSITED PAGE 6
124	. 2 And you did not actually serve in the Peace Corps.?
125	. а жо.
126	. Q So you have worked with the Robert Goodman agency
127	since January of 1982?
128	. A That is correct.
129	. Q Have your duties varied in the five years that you
130	have worked there?
131	. A Very much.
132	. 2 Would you briefly describe?
133	. A Well, they weren't really sure what to do with me
134	when I came in because my father and the other vice-
135	president, Ron Wilner, had been together for about 27 years
136	and, creatively, they really handled everything that came
137	out of the agency in terms of scripts and strategy and post-
138	production television and radio spots; and I really have
139	evolved over the course of the years into the agency's first
140	account executive. But from the very beginning I strove to
141	put together a top-notch media buying media placement
142	જાવેદા division within the agency.That is really how I got my feet
143	wet, because they really water tused to just calling up a
144	campaign and saying, ''What do you have today?'' and they
145	say, ''We have \$5,000'', and call up a station and say,
146	''What can you do with \$5,000?''
147	. We were not technically polished back in the 1970's,
148	్రాష్ట్ and into 1980 and 1982. So I put together, eventually, with

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PAGE

1491 the use of computers, really, what I think is a top-notch time-buying arm of the agency. And over time, probably 151 beginning in 1983, I started to become a little more involved with the campaign side in terms of strategy and 152 consultation. I was like the day-to-day guy. When my 153 father wasn't around or Ron wasn't around, I would field the 154 155 calls and help as best I could. I think my first big break in that sense, something 156 that placed my stature within the agency, was my service for a familiar person by the name of Frank Rizzo back in 1983, 158 when he ran for mayor, once again, of Philadelphia, and in a 159 primary against Wilson Goode. I think Frank took a personal 160 161 liking to me, valued my views and whatever else, and so, from that point onward, I think my position changed somewhat 162 in that I think I was held in more--given a sense of position 163 164 of more trust and esteem maybe within the agency and just 165 continued from that point onward to continue to get my feet 166 wet and understand politics from a paid media side as 167 opposed to free press. 168 I think Ron Wilner and my father and I see ourselves as kind of a triumvirate of equals, each with a different 169 specialty and different perspective on things. And we talk 170 every day and we think there is a lot of value in getting 171 172 and hearing all three opinions; and getting consensus or feeling about possibilities or options creatively in the 173

in the political industry. 175 Does the Goodman Agency have one office, or do you have more than--176 177 We just have one, one in Brooklandville. 178 How many employees does the agency currently have? Currently, we have six full-time employees, 179 currently, plus Tom, we have essentially a subcontracting. - a 180 film crew, with some top cameramen who do all our film work 181 182 for the last ten or twelve years headed by Wolfgang 183 Wawrzynowicz. And, we also have someone who works a lot with an editor by the name of Terry Halle. 184 185 Going back to the six full-time employees you 186 mentioned, your father and Mr. Wilner and yourself. 187 Yes. Who are the others? 188 The other employees are Carole Jacobs, who is 189 190 basically my father's executive assistant, and receptionist and ad infinitim, and then there is Colleen Vickers, who is 191 now our accountant, really our bookkeeper, not really a 192 certified accountant, and she, at one point, started really

. Q Now, during the last three years, how has the firm

with me in the media divisione she did a lot of work. I

assumed part of the processing some, and finally Bruce Mentzer, and Bruce joined our agency, I think it was, the

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end of 1985, towards the end of 1985.

UNCLASSIFIED PAGE handled its bookkeeping, has the bookkeeping generally been 200 done internally over that period of time? 201 Yes, sir. We had a bookkeeper retire this year, by M 42 0,1 - 34 202 the name of Melva McCormack, and Welva han been with the 203 agency practically from the very beginning, twenty some years, and she did all of the bookkeeping and the in-house 204 205 accounting, and we have an accounting firm that we use for our taxes and for advice, I think here and there out of New 206 York by the name of Hesn and Horn. Hr.34€ 207 Horne 208 There has basically been one person in the 209 bookkeeping department over the last three years internally? 210 Yes, sir, Melva up until, I think, she stepped down 211 in January or February of this year. That is when Colleen 212 went from the media division to take over the bookkeeping 213 assignment. 214 You have an independent accounting firm that is--215 Yes, sir. 216 Does the independent accounting firm also issue 217 audited statements or issue an opinion on financial 218 statement? 219 I am not really sure. We are not a, I guess we are 220 incorporated, I am not sure really how that works. 221 Is the bookkeeping department, is that an area that 222 comes under your supervision?

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No.

PAGE 10 こうごいういはられ 225 It really isn't in anyone's direct supervision, I think everyone in the agency, at different points, is 226 interested in the flow of money from different campaigns. 227 228 And if I have a \$50,000 time buy for a Bruce Chapman in 229 Washington state, my interest would be making sure that the 230 money comes on time and then making sure it is disbursed 231 properly to TV stations, if that is, in fact, what we are doing with the money at that point. 232 233 There is no one executive? 234 No. That supervises? 235 Q 236 No. 237 Melva and now Colleen? 238 No. I should say, I guess, my father more than think she is accountable to him, but I anybody, 240 don't think the word supervision, I don't think you would really say anyone is directly supervising her. 241 242 Just for the record, Mr. Goodman, would you briefly 243 describe the types of services that your agency performs? 244 Sure. I think now you could fairly say about 85 245 percent of our business is political. Almost all of that is

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campaign oriented. We have been in business 27 years, but

campaigns for the better part of 20, 21 years perhaps and

in terms of politics, we have been handling, doing political

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- 249 our assignment now or our area of specialty is paid
- 250 communications or paid media.
- 251 . We are involved in paid and producing, creating,
- 252 scripting-producing, post-producing, and distributing
- 253 television and radio commercials for candidates and
- 254 campaigns across the country. Now, in addition to that,
- 255 depending on the campaign, we also offer a lot of other
- 256 services here and there, like speech-writing and general
- 257 consultation about campaign strategy, and more specifically
- 258 campaign communications which run the gamut of everything
- 259 from press releases to major statements on issues or
- 260 concerns the candidate might confront over the course of an
- 261 election cycle. Really television and radio.
- 262 . Q So I take it from your answer, one thing you do is
- 263 you write testaments.
- 264 . A Yes, sir.
- 265 . Q And you said earlier you had a subcontractor that
- 266 does filming of testaments.
- 267 . A Yes, sir.
- 268 . 2 You would supervise that?
- 269 . A We call ourselves a hands-on firm. We do
- 270 everything from directing the spots to going into the studio
- 271 after the filming and actually putting the spots together,
- 272 post production. And lots of spots we don't go out and
- 273 film, we do go in the studio on video tape, normally, the 24-

UNCLASSIFIED hour turn around type spots, and we are really hands-on every step of the process. We are really more than 275 anything, if you had to call it something, we are first and 276 277 foremost film makers. 278 Now, what is your role in the purchasing of air 279 time on stations in a particular area for carrying your 280 spots? Bruce Muntzer, who I talked about before, is 281 technically the media director and he is responsible, 282 283 really, for day-to-day media placements, but he didn't 284 assume that title until January or February of this year. Prior to that, before I was made a vice-president, which was 285 286 within the last six to nine months, I was really, my title 287 was media director. And as part of that job, my 288 responsibility was to coordinate time placements, to put 289 together strategies for time placements and that was my 290 primary function, and it somewhat continues to be my primary function in campaigns that we are involved with, even today. 291 When you say strategies for time purchases, what do 292 you mean by that? 293 Well, there are many different ways to skin a cat 294 a min it in a political campaign like in state-wide campaign dealing 295 with multiple markets and trying to make decisions about where best your money can be spent, or where does the most

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effective job, where are the voters really in? If you have

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UNCLASSIFIED NAME: HIR257000 PAGE 299 obviously finite resources, you have to make some judgment calls, based primarily in my case on imperioal data, but 300 beyond that, of course, what my gut tells me, really, at any 301 302 given point along the way, some campaigns and candidates will depend on me, primarily, as one of my major responses 303 304 for advice, but what to do with their money, their time buy 305 money, their television and radio money over the course of 306 the campaign. 307 So, does that involve decisions, one, about which 308 station should carry the ads? 309 Yes, sir. And, secondly, the intensity of a buy in a 310 particular area, and by that I mean the number of times a spot would be aired in any particular area? 312 Yes, sir, precisely. 3 1 3 314 2 Those are the two areas basically, what is the station you placed the ads on and --316 A Right. 317 Q How they are run on any particular station? 318 Exactly. That is basically the strategic decisions that have 319 Q 320 to be made? Yes, sir, and to put the strategies together and as 3000 321 322 make that a proposal to the campaign and the people who

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ultimately make these decisions which, generally, are either

AME:	HIR257000 INCLASSIFIED PAGE 14
324	candidates and or certain key players during the campaign,
325	the director, campaign manager, and so forth.
326	. Q Is there a general pattern as to how the agency is
327	compensated for its work in a campaign?
328	. A We wish there were a rule to govern this type of
329	thing. More often than not, it is a combination of what we
330	call v fees and commissions.
331	. 2 Would you explain how that works?
332	. A Yes, it is different for every campaign in every
333	race. I think we look at certain races like doing a race in
334	California, doing a race in North Dakota, because of the
335	size and importance of the race. And in California versus
336	North Dakota, we would tend to command more of the total
337	compensation, and the reason we do fees and commissions,
338	generally, is we are trying to find a way to make it easiest
339	on the campaign, to pay for what we think is what we would
340	like to charge overall for the campaign.
341	. So, for instance, in a Senate campaign in California,
342	i± we think that campaign involvement is worth \$200,000,
343	generally, what we will do, we will say, okay, we will
344	charge a fee, \$5,000 a month, say, and commissions up to,
345	usually with a cap, up to \$200,000. So we will look in,
346	hopefully, a contract price in that case of \$200,000. In
347	the case of North Dakota with a similar race, both Senate
348	campaigns, where we are not really/as you would in

IINC: ASSIFIED 15 California \$15 million, but raising \$1.2 million, then we 3491 במומחרים ייוות בו would adjust our compensation form to reflect compensation 350 126 (19) 2624 realities of the differences in the race. 351 352 When you refer to commissions, what are these 353 commissions on, if you would explain that for the record. الرابية Commissions just refer to the standard media 354 355 commissions, and every ad agency on the map will tell you 356 they get most of their income from commissions. Generally, 357 the standard commission cut is 15 percent which means, if a 358 spot on ''Good Morning America'' costs \$100, the station 359 will be paid \$85 or 85 percent of the cost of the spot and 360 the agency will retain \$15 or 15 percent, and that is pretty standard throughout the industry, and in some cases, Tom, in 361 362 these campaigns, campaign managers or candidates will work 363 out different kinds of arrangements on commissions. They might cap commissions on some occasions, or they

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And you mentioned fees. Just to take an example,

for us; for the agency, is that correct?

Yes, sir.

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NAME: HIR257000 UNDLASSIFIED 374 if a campaign asks you to prapar

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if a campaign asks you to prepare their television spots, to prepare the script, to supervise the filming and put the 375 376 spot in final form for airing on a station, normally, would 377 you charge a fee for that sort of work, for the preparation 378 of the ads? 379 Generally, we do, Tom, as we have our fee and 380 commission structure set from the very beginning of the campaign that carries, the whole campaign. We don't do it on 381 a project-by-project basis. Once in auhile, we will have an 382 383 arrangement like that, come into a campaign late and they 384 are having trouble with their current media consultant. In 385 that case I think, we would price it on a project basis. 386 Generally, no, we like to have or use monthly 387 retainers. We have a guarantee of steady income. Generally, in most races I think, it is \$5,000 a month. 388 regardless of how many spots we produce, regardless of how 389 مان شاباتم may speeches we write or advice, that would be our standard 390 391 retainer. We make up the rest of the difference between that and what we like to make in the campaign with 392 393 commissions. 394 We don't always place time buys in every campaign. Some campaigns we will have other arrangements for those, 395 396 some will use other agencies just for the time placement 397 part of it, or perhaps in some cases, other general consultants are brought into the campaign who have a time 398

3991 buy capability and will be given the time buy. So it is not standard that we always have that kind of arrangement and in 401 those cases, Tom, we then depend it on getting a share of the commissions rebated back from whoever is doing the 402 403 placement or we go on a straight fee basis. 404 BY MR. FLYNN: You are talking about film making? 405 406 Δ Yes, sir. 407 ٥ Are these films, for instance, that you would shoot 408 at some kind of political gathering? 409 Yes, sir. 410 Q Or some kind of filming on television? 411 Both. It could be anything from a 30 second spot 412 to a maybe ten minute video on a candidate and family, what 413 he or she is trying to accomplish. 414 MR. SCHWAIT: I am not going to object to more than 415 one person taking the deposition unless we get into areas that might be controversial. I don't mind this kind of fill-416 417 in in this kind of situation. Ordinarily, I would object. 418 MR. FRYMAN: Off the record. 419 [Discussion off the record.] 420 BY MR. FRYMAN:

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station, is the station normally paid by your agency?

Mr. Goodman, when you purchase air time on a television

Back on the record.

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424 425 Then you bill the client for that time plus the amount of the commission, is that correct? 426 تتالاه المع Well, technically that is correct, but on almost every case 🚅 political campaigns since, as you are aware, we 428 get the money for the time buy as they say, up front, 429 because TV stations are will aware of the 430 vagarities of a campaign and how sometimes the best laid plans go astray, 431 and so, it is cash on the table kind of business for 433 political campaigns in terms of buying TV and radio time. 434 So, when you say bill normally, what we do is receive, 435 if we had a \$50,000 time buy, we would receive \$50,000 first 436 from the clients. We would then take 85 percent of the 437 and, at the same time, we would bill, as a confirming 438 invoice, bill the clients for receipt of \$50,000, a breakdown of how that was spent on the various stations. 440 441 Now, there are some situations you indicated where you will prepare the advertisement, but the time buy will not be effected through your agency? 443 That is correct. 444

445 . Q In those situations, you indicated the fee for the 446 preparation for the ad will be adjusted.

447 . A Will be adjusted, yes.

448 . Q I take it it will be more than it normally would

UNCLASSIFIED NAME: HIR257000 19 4491 Yes, sir. That is a safe assumption, yes. 450 What sort of controls are there to assure you that 451 452 a client will not take an advertisement, which you prepared 453 for a low fee, and arrange the time buy itself and cut you 454 out of the commissions for that ad? カッキ いいいいき Well, it is a good question. I don't think we have 455 456 any safeguards ultimately to prevent a client from taking 457 spots we have produced and placing those spots directly, with ليعانوا والمراور بالتعيالا 458 or without our knowledge. I think they would be without our 459 knowledge in every case. We have no safeguard for that. We 460 would never vouch in a particular campaign there wasn't more 461 than one group or person directing and placing ads, that is true other than, Tom, under the contract that we will draw 462 463 with the campaign, it is stipulated in most cases we are talking about commissions in every case, we will receive X 464 percent, ten percent, 15 percent, whatever full commissions 465 on all media buys from terms, that we produced so that, if in 467 fact that would occur, it would me technically -- probably be a 468 violation of our contractual agreement. 469 When you prepare an advertisement for airing on the 470 television station, do you ship the advertisement directly 471 to the station from your agency? Normally, yes. 473 After the ad is run, is it returned to your

UNCLASSIFIED NAME: HIR257000 PAGE 20 Normally, no. Normally, what the station will do 475 476 will keep that spot for a certain period of time, usually a 477 couple of months. If it is not used for a couple of months, they will destroy the dub. That is a dub copy of the master **478** 479 of that spot from our studios. 480 Do they contact you before they destroy it? 481 Some do, but most don't. 482 What is the form of the ad that is normally shipped 483 to a station, is there a certain size tape? 484 That varies. Now, more often than not, a one-inch

video tape is the accepted size of a broadcast quality tape
that we send stations, but the older format, two-inch, is
still used in a lot of smaller markets in the country, and
in many cases, with cable television stations, with even
some of the smaller stations in the country, three-quarter
inch tape is also requested, so it is really a variety of
formats.

492 . What we try to do is determine when we are going into a market we call the traffic departments and make the request for certain information, including what type of tapes were normally accept. So, we know what to tell our studios in the dubbing process.

497 . 2 Am I correct that any TV station in a major market

. 2 Am I correct that any TV station in a major market would normally use either a one-inch or two-inch tape?

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NA	ME:	HIR257000 INCLASSIFI PAGE 21
	499	. A Yes.
	500	. Q It would be unlikely that a major station would use
	501	a three-quarter inch tape?
	502	. A Very unlikely.
	503	. Q Now, I take it you frequently provide copies of
	504	your tapes for your clients for their own viewing and their
	505	own usa?
	506	. A That is correct.
	507	. 2 Do you normally provide one or two-inch tapes to
	508	your clients?
	509	. а но.
	510	. Q Why not?
	511	. A Because they can'tusually don't have the equipment
	512	to be able to project those. The standard format for
	513	personal use, most standard format is half-inch, VMS. I
	514	think 70 percent of the people in America that have video
	515	recorders have VHS type of format. There is Beta, half-inch
	516	Beta, which is the next most common format, and finally,
	517	three-quarter inch which is better quality reproduction than
	518	half-inch, and we prefer to send that to clients whenever
	519	possible because we want them to see it closer to broadcast
	520	quality, which is normally one or two-inch and it looks much
	521	better than you would see on a half-inch player.
	522	. Again, to summarize, have—inch and three-quarter inch
	523	are two formats we would send in 99.9 percent of the cases.

UNCLASSIFIED PAGE 22 5241 We have no reason to one-inch unless they had a studio 525 in their den and they had a one-inch player. 526 Do you know whether it is technically feasible to 527 take a half-inch or a three-quarter inch tape and reproduce 528 it on a one or two-inch format? It is. 529 Do you lose quality? 530 2 531 You lose some quality every time you dub from the master, you go down to what they call a generation, you lose 532 some quality, and in this case I think, you would lose more 533 534 quality going from three-quarter inch to one-inch than you 535 would going from one-inch to three-quarter inch. But you could take a three-quarter inch tape or half-536 inch tape and transfer it to a format that stations could 537 use and broadcast, and the quality wouldn't be the best, but $\lim_{\xi \in \mathcal{L}(\mathbb{R}^n)} \mathcal{L}(\xi)$ I think you get understood, meet the minimum standard for 538 539 broadcast quality stuff. 540 541 Do I understand correctly from your answers, that if a client asked you for a one-inch tape for the client's 542 543 own viewing, that you would send them the tape? 544 Oh, sure, whatever they want. I don't think we

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have ever received a request for one-inch from a client.

some cases, I think I said earlier, normally, we just send

the tapes directly to stations. There probably have been some cases in the history of the agency where we would send

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549	a finished broadcast quality one and two-inch dubs to
550	satisfy the campaign, because of the need or effort to
551	reduce turn-around time.
552	. We knew when he wanted to go on the air much more
553	quickly on certain spots, we might, in that case, send the
554	finished dubs out to the campaign manager and he or she
555	would hold them until the proper time. Instead of worrying
556	about Federal Express, we might send them on the
557	ارم المراقع Presidential campaign out to distribute the things and get
558	the things on faster.
559	. Q You mentioned that that 85 percent of your work, or
560	approximately that within the last year or so, has been in
561	political campaigns?
562	. A Yes, sir.
563	. Q Is that correct?
564	. A That is correct.
565	. Q By that, you mean Senate and Congressional
566	campaigns?
567	. A Yes, sir.
568	. Q And state campaigns?
569	. A Yes, sir, the whole gamut.
570	. Q Do you specialize in any particular party?
571	. A As Republican or Democrat?
572	. Q Yes.
573	. A We really are a Republican firm and over the years

NAME: HIR257000 PAGE 5741 I would say, the work has been for Republicans. We have done a few Democrats, including ex-575 576 Governor Hughes, Harry Hughes in Maryland, and of course. 577 Frank Rizzo who was a Democrat in 1983. Republican, or whatever. And I think, as I recally my 578 experience, I think, I am not aware of any candidate, 580 Democratic candidate, we have ever handled for federal 581 office. 582 The reason is very simple. We have helped so many 583 Republicans win federal offices, especially in the U.S. 584 Senate today, that we feel we would be violating our friendship and trust if we went back and tried to cancel a 586 Republican vote in the Senate with a Demogratic vote, plus > 587 national parties aren't too happy. 588 The other 15 percent of your work, is that commercial work? 589 590 Primarily. In fact, yes, it is commercial work. 591 We have had, for instance, the West Virginia Coal Association contract, not really a PAC group, but special 592 interest group, and we do some advertising for them and that 593 True maje cort of way back in our -- with our experiences with current Governor Arch Moore when he was first elected, I think back 595

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in the late 1960's, Governor of West Virginia, we became

At least through the coal association, at some point,

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more closely tied with things down there.

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25 we did some tourist busin 599 ess and other things. Most of 600 that -- most beyond that, I think all the rest of the commercial is very sporadic. 601 Now, Mr. Goodman, your agency was retained in 1985, 602 was it not, by an organization associated with Carl Channell 603 604 to do some work for that organization? 605 That is correct. 606 Do you know how Mr. Channell came to retain your 607 agency? 608 We received the first call from a person by the name of Roger Wilkins in early '85, 1985, and my father took 609 the call, so I wasn't aware of everything. I can't give you 610 611 first-hand knowledge. It is my understanding that Mr. 612 Channell had come to learn about our group because of some of the work we had done in the past in West Virginia. 613 assume that must mean work for Governor Arch Moore as 614 opposed to say, the coal association. 615 616 And, perhaps, he had heard other opinions I am not 617 aware of, but he at least heard something about us and heard we were good at what we do, which is making television and 618 radio spots and that is how supposedly Mr. Wilkins was told 619 to, why Mr. Wilkins was told to place the call to us. 620 Do you know Richard Miller? 621 622 Yes, I do.

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When did you first meet Richard Miller?

PAGE Oh, boy, 625 Did your acquaintance with him pre-date your association with Mr. Channell? 626 No, it did not. We almost all -- Mr. Miller and Mr. 627 Channell one and the same thing. They had separate 628 629 organizations, but we came to learn about him after we had 630 met Mr. Channell. 631 Do you know if Mr. Miller ever had had any association with the Robert Goodman Agency prior to the 632 Channell association? 633 634 No, I am not aware of any association. 635 Now, Mr. Channell originally did not ask you to be involved in a political campaign, did he? 636 637 That is correct, he did not. What did he ask you to be involved in originally? 638 639 A Originally, he talked about the contras, the Micaraguan resistance, and he was interested -- the first 640 discussions with us, he was interested in really promoting 641 their cause. Meaning, he felt that if Americans were made 642 643 more aware of the situation as it existed then in Micaragua, 644 that they would be much more favorably disposed toward their

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. So, basically, it was a discussion about a public කැපු relations effort to make to educate Americans, to make the

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cause and all that that might entail.

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UNGLASSIFIED PAGE 27 649 in concert with that, more worthy of American support. 650 Q Would you describe describe that as an issue you 651 campaign? 652 Yes, Sir. . Q Or public education? 653 A Exactly, I called it Am issue and advocacy 654 advertising. 655 Q Has your agency previously been involved in that 657 sort of work, or was this a first for the agency? A It certainly was a first to this degree. I think 658 we probably--I think we did some work before I was with the agency, with the American Medical Association, a PAC group, 660 and I am sure we have done a few others, but this is really 661 our first full-fledged experience with a public interest 662 group really helping them to this degree with their

665 . Q With the television advertising campaign?

666 . A That is right.

667 . Q Were you aware that other agencies had been

communications or basically, with their paid advertising.

668 involved in this sort of program before?

669 . A With Mr. Channell?

. Q No, with any special interest group.

671 . A Yes, sir.

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672 . Q So this was a first for your agency, but it was not

673 a first in the industry, if you will.

UNCLASSIFIED That is correct, and our motivation here, Tom, was it's very tough when you have a lot of business in the on-675 years but not so much in the off-years. This is one way, one 676 direction that this seemed to suggest a very nice cushion in 677 terms of making profits in the off telection year cycles. 678 as a more on-going type of business as opposed to campaigns, الرياس بهرا المنظم which had a very finite beginning and very very finite 680 681 ending. Do you recall when the first contact by Mr. Channell occurred approximately? 683 684 Him directly? 685 Yes. 686 It was something like February, as I recall, 687 something like February or March of 1985. I think he contacted us or my father fairly soon after Roger Wilkins had made the first contact. 689 Was there a meeting shortly after that? 690 I believe there was. 691 Did you participate in the meeting? 692 õ 693 I am sure I did. 694 Was that here in Washington or in Baltimore or somewhere else? 695 One or the other. My recollection is, we came over 696

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and met Mr. Channell. Well, I can't -- I really can't recall,

it could have been either place.

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UNCLASSIFIFA PAGE that your agency reached an 700 understanding with Mr. Channell sometime early in 1985 about some services that you were to perform? 701 702 That is correct. 703 Can you describe what that understanding was? The understanding was we were going to produce an 704 undetermined number of commercials, see to promote this 705 706 public education of the contra cause and, in terms of 707 compensation, we did charge a fee for the very first series 708 of spots. 709 At this point, we weren't sure what this relationship was all about. In fact, I don't believe -- my best bes 710 711 recollection is, I don't think we ever signed a contract with Mr. Channell outlining what our duties might or may not 712 713 be. And the first project really came back to the original 714 questions. I think we charged a \$10,000 fee which we 715 thought was a one-time experience, meaning we might not do any other work, which is why we did it that way--and ເວລາຮ່າງກັດຜູ້ commissions--which wes the standard 15 percent agency 717 commissions allowed by stations. 718 719 I take it in light of our discussion earlier this 720 morning, the commissions were to be an integral part of your 721 compensation?

722 . A That is correct.

723 . Q Pursuant to this understanding, did your agency



perform a variety of services for Mr. Channell's 725 organization in 1985 and 1986? 726 I am sorry, would you repeat the question? 727 [Question read.] 728 I can't say, Tom, it is not correct to say pursuant to that understanding, perhaps, and be accurate because 729 730l there really was no clear understanding that we were Mr. 731 Channell's ad agency and, in fact, we were made aware at many different points along the way, I think well into 1986, 732 that when Mr. Channell would conceive of a project, where 733 talevision or radio might be involved, that he, essantially, 734 he went out for bid, he would go and solicit ideas and 735 736 proposals from more than just us, from other agencies as 737 well, so we always felt we were one spot away from either 738 being more endeared to his organization, or find ourselves 739 with a short-term arrangement. 740 But your agency did produce a number of spots for 741 Mr. Channell's organization in 1985 and 1986? 742 That is correct. 743 An integral part of the compensation for your work 744 for those organizations was commissions for purchasing air 745 time for the spots, is that correct? 746 That is correct.

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made, you said you were aware that Mr. Channell, from time

Just to follow up, Mr. Goodman, on one comment you

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749	to time, sought proposals from other agencies?
750	. A That is correct.
751	. Q What other agencies do you know performed work for
752	Mr. Channell's organization?
753	. A Actually performed work?
754	. Q Yes.
755	. A There was, as I understand it, a production firm
756	out of New York, I think one of the principal's names was
757	Kilo.
758	. Q Blackmore or Blakemore?
759	. A Blakemore and Whitmore, or Blakemore.
760	. 9 And Kilo?
761	. A Yes, I think that is a firm, we just learned about
762	that -I think woit was through the newspapers, it had to do
763	with a project Mr. Channell wanted us to do, I think
764	originally, and when we rejected because we objected to the
765	nature of the ad
766	. Q What project did you understand that to involve?
767	. A We understood it to be a project where an ad or
768	series of ads would be essentially directed against Senate
769	aspirant, Barbara Mikulski, who was running for the Senate
770	in Maryland, in 1986, and being from Maryland and basically
771	objecting to the nature of the effort, we declined to even
772	make a proposal.
773	. Q Did I correctly understand that your firm was not
	A A MINI ST PA

32

7741 involved in preparing advertisements for the Mikulski 775

campaign?

786

776 That is correct.

777 Or you were not involved in preparing

778 advertisements for the Chavez campaign?

779 That is correct, we were not involved.

780 Other than the Blakemore firm, what other firms do

781 you know performed services?

782 I am not aware of any other ad agencies that performed services. I do know of one firm that was making a 783 pitch or made a proposal for a piece of business called, 784

785 "Don Ringe and Associates, R-I-X-G-E, simply because I

think once someone showed me a script, or copy of a script,

that they had proposed having to do with resistance in 787

788 Nicaragua resistance, and as I recall, that was sometime in Kare and the

1986. Dust reenforced the impression we were not an agency

790 hired in perpetuity, but rather one that was going to be

791 evaluated on each and every proposal we made on different

792 projects Mr. Channell might be envisioning.

I ask the reporter to mark this document as Goodman 793 794 Deposition Exhibit 1 for identification.

795 [Exhibit No. 1 was marked for identification.]

796 Mr. Goodman I have had marked as Goodman Deposition

Exhibit 1 for identification what appears to be a script 797

prepared by Ringe Media, Inc., dated January 28th, 1986 798

33

Would you look at that document. Is that the script you 800 just referred to?

801 That is correct, that is the script I recall.

802 Where did you get that script?

803 I really can't recall who I got it from, though I

804 think I recalled the event, it was one of the two

805 fundraisers that we were invited to by Mr. Channell, either

late 1985 or early 1986. This must have been early 1986. 806

807 Just as guests of Mr. Channell because, really, for the

808 reason, according to Mr. Channell, getting to see and meet

809 some of his contributors, so we would get a better feel for

the types of interests we were representing in the ads we

811 were producing for Mr. Channell.

ليارس ب . I think I got that at one, at that particular 812

fundraising event. Who I got it from, I can't recall.

814 Was this the briefing at the White House on January

815 30th, 1986, and the subsequent meeting at the Hay-Adams

Hotel that you are referring to?

المجانبات المحالة ا 817

818 was -- that seems to be the date of the meeting. As I recall,

819 that is correct.

810

821

820 On this deposition Exhibit 1, there is an

indication at the top that the client is TBA. Do you know

822 that that stands for?

823 You would have to ask Ringe Media. I am not aware

UNCLASSITIED MAME: HIR257000 PAGE of that. Q So your recollection is someone gave this to you at 825 826 the meeting at the May-Adams Notel? That is correct. 827 828 But you do not recall the person? I don't recall who that was. 829 830 Was it someone associated with Mr. Channell's organization? 831 It may have been. 832 A But you are not sure? 0 833 834 No, I am really not. Did you understand that this was a proposed ad or 835 did you understand that this is an ad that was going to be 836 837 run? 838 My understanding, my recollection, my understanding was that this was a proposed ad that, I assume, Mr. Channell 839 and his people were considering, and I am not sure how this 840 841 ad fit into the total framework of everything else they were trying to do on television and in their general campaign for 842 the Kicaraguan resistance, but I remember reading this and 843 thinking that, is an awfully tough way to do this thing. 844 What do you mean by that? 845 846 Hell, there were times, when in the process of 847 arriving at final scripts with Mr. Channell, that he would take a much more direct and, what I call, hard-hitting 848

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849 approach to a TV spot, and in every case we would try to tone that down. One, because we thing if you pushed too 850 851 hard in making certain points like this, it looks like you 852 are involved more with propaganda, unsubstantiated in fact, 853 than simply laying out the facts of the issue. 854 we came to learn about this program, Tom, we just felt the facts, sustaining the facts was enough to make the case and 855 856 make it forcefully. my We didn't want to force feed the viewer. 857 $\mathfrak{g}_{\mathcal{C}_{\mathcal{C}}}$ t $_{f e}$ I remember reading this and remember thinking, was a spot 858 burning crosses and schools closed, and so forth. We just 859 860 objected to the approach and--861 Did you talk to Mr. Channell about this? 862 About this particular ad? 863 Not that I recall. 864 A Did you talk to him in general about his 865 866 consultation with any other advertising agencies? Either Mr. Channell or Dan Conrad would allude here 867 868 and there to the fact that they were seeking other I am not sure if they ever mentioned names. 869 870 were will aware we weren't the only ones bidding for certain pieces of business. It would seem Mr. Channell segmented. 871

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ارز الله We didn't look at this as against an on-going

most everything seemed to be on a project-by-project basis.

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AME:	HIR257000 UNGLASSIFED PAGE 36
874	relationship as much as we didesuppliers pitching in every
875	time for certain projects in terms of $\pm t$ when we would do it,
876	creatively and so forth.
877	. Q You don't recall making any specific comments to
878	Mr. Channell after you saw Exhibit 1?
879	. A No, I don't.
880	. Q Either about this ad or about involvement of Ringe
881	Media.
882	. A No, I don't.
883	. Q I ask the reporter to mark a copy of a draft
884	television ad for the Anti-Terrorism America Committee on
885	the letterhead of Arthur J. Finkelstein and Associates, as
886	Goodman Deposition Exhibit 2 for identification.
887	. [Exhibit No. 2 was marked for identification.]
888	. Q Mr. Goodman, I show you Exhibit 2. Do you
889	recognize that document?
890	. A Yes, I do.
891	. 9 How did you happen to receive that document? ఇం స్టాన్స్ట్రాల్లో
892	. A We received it by Suip on our office Suip machine,
893	and my recollection of this was Mr. Channell told me that an
894	associate or someone who worked for the Arthur Finkelstein
895	Associates polling firm had an idea for a spot and he
896	thought it had some merit. He wanted me to talk to this
897	person. I can't recall off-hand who it was. He sounded
898	like he was a very sharp and interesting person, and he told

HAME:	HIR257000 UNGLASSIFIF PAGE 37
899	me his concept and I said why don't you Quip me a copy so w
900	can take a look at it, and that is what we did.
901	. Q The Finkelstein firm was not generally involved in
902	preparing copy for ads or assisting in preparing copy for
903	ads?
904	. A That is correct, this is the only time I can recal
905	their having been involved, had any kind of input, offering
906	any input in the ad process.
907	. Q Was the Finkelstein firm working with your firm in
908	its capacity as a polling organization on the work for Mr.
909	Channell.
910	. A No, they were not.
911	. 2 Were you aware that Mr. Channell had retained the
912	Finkelstein firm?
913	. A I believe I was aware that they had retained
914	Finkelstein. I know we heard they retained some polling
915	firm, I am not sure. Obviously, at this time, putting two
916	and two together, I knew they had hired a polling firm. Mr
917	
918	. 2 You have no recollection of making any use of the
919	product of the Finkelstein firm in connection with your
920	work?
921	
922	recall, was designed to use the President as a rallying
923	point. That his popularity at that point was awfully high

NAME: HIR257000 924 in all public opinion polls, and I remember the concept here was just to make the best use of the President. 925 . Q Now, Mr. Goodman, after the initial discussions 926 with Mr. Channell in early, is it 1985, that we have been 927 928 discussing, your agency did prepare a number of advertisements for Mr. Channell? 930 That is correct. 2 I ask the reporter to mark as Goodman Deposition 931 932 Exhibit 3 for identification, a document produced by Mr. 933 Goodman's counsel, headed at the top, ACT/NEPL/Sentinel, 934 Complete to Date, 2/24/87. 935 [Exhibit No. 3 was marked for identification.] Q Mr. Goodman, I show you Exhibit 3 and ask you if 936 937 you recognize that document? . A Yes, I do. 939 2 Did you either prepare or cause that document to be 940 prepared? · COST . A I didn't, but someone within the agency did, and it 941 was a compilation, actually trying to get what they call a 942 943 menu of spots that we had produced for the various 944 organizations controlled by Mr. Channell. 945 Why was that document prepared? A In looking at the date, February 24th, 1987, % () 946 947 wanted to make sure we had a complete record of all the

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spots we had ever produced for his organization because, at

that point, we had been made aware of the Iran contra affair 950 and felt--and had been asked--actually been called by a lot of reporters at one point in the process, and felt it would be 951 best if we started by doing some work on exactly what we had 952 953 done for Mr. Channell's organization, and this was part of 954 the effort to refresh our memory and also provide this, if ever requested, to anyone that was interested. 955 Did Mr. Channell or anyone in his organization ask 956 957 that this be prepared? It is possible, Tom, I can't really--can't recall. 958 959 I thought this was only for our purposes. He might have 960 made that request. It is your recollection now that this was prepared 961 as a result of an internal initiative within your firm, and 962 963 not in response to some request by Mr. Channell? That is my best recollection, 964 I believe so. בעיונה הופסה thought I won't be surprised if, at some point in this 965 966 process, they had requested a copy of all the spots they had 967 ever done. I know that we were interested in getting this record for ourselves. It may not have been exclusive to 968 969 other things. 970 I ask the reporter to mark as Goodman Deposition Exhibit 4 for identification, a group of pages produced by 971

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counsel for Mr. Goodman, which are on the letterhead of the Robert Goodman agency, Inc., and appear to be scripts for

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	HIR257000 UNGLASSIFIFD PAGE 40
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974	various television advertisements.
975	. [Exhibit No. 4 was marked for identification.]
976	. Q Mr. Goodman, would you examine Exhibit 4, okay?
977	Look through the pages and just confirm that these are
978	scripts of advertisements that were prepared by your agence
979	. A Yes, they are.
980	. Q Now, Mr. Goodman, there appears to be a number of
981	scripts in Exhibit 4 for advertisements which are not
982	included on the list which is Exhibit 3.
983	. A Yes.
984	. 2 And from my comparison, and we can just go through
985	these quickly, four pages, there is a script for an
986	advertisment concerning a wounded freedom fighter.
987	. A Yes.
988	. 2 Continuing on, there is a script entitled,
989	''Flagship'', a script entitled, ''Iwo Jima''.
990	. A That is right.
991	. Q A script entitled, ''Our Jobs'', and several
992	others.
993	. A Yes.
994	. 2 Does that indicate that you prepared scripts for
995	number of advertisements which were never completed as
996	advertisements?
997	. A That is correct.

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999	are the ones that are included on Exhibit 3, is that
1000	correct?
1001	. A To the best of our recollection and our research,
1002	yes, all of those were the ones that were completed.
1003	. Q By completed, what you mean is that the
1004	advertisement was filmed and was put in a final form for
1005	airing on a television station?
1006	. A That is correct.
1007	. Q Is that correct?
1008	. A That is correct.
1009	. MR. SCOTT: Are you saying also it was actually
101.0	aired on television, or just prepared to air on television?
1011	. MR. FRYMAN: Now, I think the question was, it was
1012	prepared to air, not that it was actually aired, but the
1013	list of scripts that are included on Exhibit 3 are, in your
1014	view, the advertisements that were put in final form so the
1015	they were ready to air?
1016	. THE WITHESS: Yes.
1017	BY MR. FRYMAN:
1018	. Q Whereas in Exhibit 4, there are a number of
1019	additional scripts that were never filmed or put in such
1020	final form?
1021	. A Yes, that is correct.
1022	. Q Is that correct?

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1024 Q And in the case where there is an advertisement
1025 identified on Exhibit 3, to take as an example, a Korean
1026 airliner, if you would then turn to Exhibit 4 on the second
1027 page, you will see there is a script headed, ''Korean
1028 Airliner''. Now, does that indicate to you that the second
1029 page of Exhibit 4 is the audio script?

1030 . A Yes

stationery.

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. Q For the finished advertisement, ''Korean

Airliner'', that appears on the list, which is Exhibit 3?

1033 . A Yes, but with one word of explanation: This was

what we have described in the pastra very phonetic account, phonetic account, phonetic account, fifther to the pastra very phonetic account, phonetic account, fifther to the pastra very phonetic account, phonetic account, fifther to the phonetic account, phonetic

1042 It is possible there could be a few discrepancies even 1043 in the wording. This doesn't mean this script might not be 1044 the final script. In most cases, it will be.

. Q In most cases it will be the final script and so in situations where there were variations, is it fair to say that the variations would be editing variations rather than a complete rewriting of the script?

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1049	. A 165.
1050	. Q If there were a rewriting of the script, what would
1051	the procedure be?
1052	. A Well, the modus operandi was to prepare a new
1053	script with & final copy and so forth, but I am sure there
1054	is at least one instance where, because again not this
1055	particular account, but the fact we are also in a political
1056	year with all these other campaigns going on, that-may he.
1057	in one case or more, these weren't kept whet we say current,
1058	meaning the final actual revision would not specifically
1059	match the final video spot you would see listed on Exhibit
1060	number 3.
1061	. In other words, I couldn't testify that this particular
1062	script was actually the final word to a ''T'' you.
1063	would see reflected on the final list on Exhibit 3.
1064	. \mathbf{Q} To summarize what I understand your answer to be,
1065	these are the scripts that were proposed by your agency for

1067 That is correct.

1068 And the final shooting script may have had some

1070

1071 If there are to be a complete rewrite of the 1072 script, the normal procedure is that there would be another 1073 shoot reflecting that rewrite?

UNCLASSIFIED tı tı That is correct. 1075 Q Is that correct? 1076 A Yes. Thanks for helping me with that. 1077 õ I ask the reporter to mark--1078 MR. SCHWAIT: Could we go off the record for a 1079 minute? MR. FRYMAN: Yes. 1080 [Discussion off the record.] 1081 1082 BY MR. FRYMAN: 1083 You have something further to ad to your answer, 1084 Mr. Goodman? Yes, sir. I would like to point out that beyond 1085 1086 just copy changes, in many instances, we would have As you will know in the script. disclaimer changes as well. 1087 we were talking about in Exhibit 4, the second page, 1088 script commercial number 302, called, "'Korean Airliner'", 1089 1090 we had two different disclaimers for that particular spot. Disclaimer A, paid for by Barbara Newington, through 1091 1092 American Conservative Trust, Disclaimer B, was paid for by

. Actually, Tom, a better example, understand we would 1095 1096 have a spot that was scripted and we were told for

the American Conservative Trust as a service to the people

عرب المدر المدر على المدر المدر المدر المدر المدر المدر المدر المدر المدر المدر المدر argument's sake to be funded, paid for, and that would be

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of America.

1097 1098 identified on the spot by the American Conservative Trust.

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1099] Then, subsequent to that, we would get instructions from Mr. Channell, or one of his associates, no, in fact this particular spot in question would not have a disclaimer from 1101 1102 the National Endowment for the Preservation of Liberty or 1103 Sentinel. And in more than one instance, this happened and 1104 we got to the point, some points in this process, Tom, of asking, make a point of asking Mr. Channell or one of his 1105 associates the question, well, who is going to pay for this 1106 spot? Who is going to be the group we are going to identify 1107 1108 in the disclaimer on the spot as having funded this thing? So it became very sensitive to that because we just had a 1109 feeling that Mr. Channell wasn't always deciding on which 1111 organization was going to be used as the organization identified on the particular TV shot. Was that clear? 1112 Let me just put a few follow-up questions to you, 1113 1114 Mr. Goodman. What do you mean exactly when you use the term disclaimer? Is this a technical term that is used in the 1115 1116 advertising industry? 1117 Yes. 1118 Or a term of art that you use in the industry? Yes, sir. A disclaimer is a statement of 1119 responsibility, primarily for the funding to have a 1120 particular television spot and political campaign. In a 1121 federal campaign, you can't put a television spot on the air 1122 without identifying the group or groups that, not only 1123

UNCLASSIFIED 1124 authorized that spot be aired, but actually paid for it. In 1125 a couple cases there is more than one group. There were instances in 1986 when the Mational Republican Senate Committee would be paying for a commercial 1127 1128 or for a particular Senate candidate and the disclaimer 1129 might read something like, paid for by the Mational 1130 Republican and Senate Committee, authorized by friends of $p_{\rm T}$ ())(())
Paula Hawkins, whatever name of the committee was, as it is a rule of the industry, and I don't know if it is FCC or 1132 المِين ١١٠٠ FEC, we have to identify sponsorship. 1133 1134 Does the disclaimer have to be both in sound and 1135 sight? In other words, does there have to be both audio and a picture of the disclaimer, or can it be one or the other, 1136 or does it have to be one or the other? 1138 Okay, in television, it has to be a visible disclaimer. Now, if you want to, you can make it audio as 1139 well as a visual disclaimer. You have to see the 1140 1141 disclaimer, and the rules governing that, in general, are 1), it has to be readable, and 2) it has to be on for a 1142 1143 minimum amount of time, which I think is three seconds. In 1144 a radio spot, it is different obviously. 1145 2 You referred to different organizations that Mr. 1146 Channell was associated with, and maybe we should clear that

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up on the record now. You mentioned three organizations, I believe, the American Conservative Trust; which is also

	HIR257000 UNCLASSIFIED PAGE 47
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1149	known as ACT, the Mational Endowment for the Preservation of
1150	Liberty, which is also known as MEPL.
1151	. A Yes, sir.
1152	. 2 And Sentinel?
1153	. A Yes, sir.
1154	. 2 Now, were those the three Channell organizations
1155	that your firm dealt with?
1156	. A That is correct.
1157	. Q What did you understand was the difference between
1158	those organizations?
1159	. A At the time, the first organization we did any
1160	commercials for was ACT. Then at some point, really without
1161	watching, we were told on a certain spot, I forget which
1162	spot, that the sponsoring organization is not ACT, it is
1163	MEPL, and at some point in 1986, we actually did campaign
1164	for Sentinel.
1165	. We were never told by Mr. Channell or anyone in his
1166	organization, specifically, what the differences were from
1167	one organization to the next.
1168	. Q Did you have any understanding about the difference
1169	
1170	
1171	
1172	just had a general sense that these were all, described this
1173	once as a developer who had many different subcontractors

1174 underneath his wing, and we just saw all these organizations 1175 as organizations, basically, run and controlled by Mr.

1176 Channell.

Did you have any understanding about the tax status 1177 1178 of any of these organizations, and particularly, I mean, did 1179 you have any understanding as to whether contributions to 1180 one organization were tax deductible, whereas contributions 1181 to another were not tax deductible?

I absolutely had no understanding ever those kinds 1182 1183 of differences. In fact, if I may add, the first time I was made aware in any kind of detail of the differences between 1184 1185 the various groups, among the various groups, was in January of this year, in January of 1987, when an associate of Mr. 1186 Channell's, Cliff Smith, sat down--we had lunch at one point, 1187 1188 and he said, now, maybe I should tell you what the

1189 differences are, or explain each and every one of our 1190 organizations.

1191 At that point, he gave me a little more detailed 1192 explanation of these three organizations and all the others that Mr. Channell supposedly controlled. Just maybe to 1193 complete the answer--I did send different types, as in my 1194 ور مان المناطقة role as media director, notices to station managers where we 1195 tried to get clearance or access for air time, and I think 1196 in those, I remember saying something like to the effect, 1197 1198 The American Conservative Trust was a public interest group

MAME: HIR257000 1199| dedicated to supporting the Administration in foreign policy 1200 and which is as specific as I knew that to be. I remember in reviewing these documents in 1987, when 1201 this whole thing was coming about, that I saw another notice 1202 written by someone who worked for us me Teresa Jacobs, who 1203 is Karole Jacobs' daughter -- it is a very family oriented business top to bottom--and I think she was sending the same 1205 kind of letter to stations about the Mational Endowment for 1206 1207 Preservation of Liberty and she described them in just the same terms and said at the bottom something like, MEPL is 1208 just like an American conservative trust, something to that 1209 1210 effect. الميان ورار بوطور المتحاولة 1211 Everyone in the agency had really no feeling what the differences were. 1212 Who made the decision as to which organizations 1213 1214 should be identified in the disclaimer? 1215 Mr. Channell or one of his associates. Did your agency have any role in making that 1216 Q 1217 decision?

1218 . A Never. Maybe somewhat relevant to the discussion

1219 is, I think, on two or three occasions, I was asked by Mr.

1220 Channell or one of his associates to contact their lawyer.

1221 I understand their lawyer was Curt Herge, is that right?

1222 . 9 Yes.

1223 . A When Mr. Channell would have approved certain copy,

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1224 but he would say something to the effect, well, maybe you 1225 should run it by Mr. Herge to make sure it is okay and tell 1226 him who the sponsoring organization was, which I felt showed 1227 Mr. Channell, in our opinion, was somewhat meticulous in 1228 trying to make or ensure that certain spots funded by certain organizations could be funded by certain 1229 organizations and so forth. 1230 Did you have any understanding of the criteria that 1231 Q either Mr. Channell or Mr. Herge were using? 1233 No. 1234 To determine which organization sponsored which 1235 advertisements? 1236 No, I had no specifics; had no specific 1237 understanding of that. Why were you concerned about their being meticulous 1238 1239 or not being meticulous? 1240 I was not concerned about that, just an impression 1241 I had, in giving you a, maybe, perception of how we viewed 1242 this particular client. 1243 From the agency's point of view, Mr. Goodman, what

was the relationship between the client identification on the script and the disclaimer? For example, just looking at the first page of Exhibit 4, it indicates that the client is The American Conservative Trust and then there are three alternative disclaimers there. Is there necessarily, from

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1273 bill for which advertisement?

1249 your point of view, any relationship between the 1250 identification of the client on the script and the disclaimer that will appear in the advertisement? 1252 Theoretically, yes. I say theoretically because 1253 arising--one of the results of our confusion about which 1254 group is doing what spot, what have you, is that in a number 1255 of cases, we might identify on the first script the client 1256 is The American Conservative Trust. Then we might learn, 1257 subsequently, the sponsoring organization was going to be 1258 MEPL. In those cases, I think I recall seeing a number of 1259 cases of a script where the disclaimer would say, paid for by NEPL and the clients identified at the top, American 1260 1261 Conservative Trust. $\begin{array}{c} \text{We sh} \\ \text{What probably happened, there was a revision and Carole} \end{array}$ 1262 1263 Jacobs, or whoever was doing the typing, had failed to change the client's name to match the disclaimer. 1265 Was your billing done to the separate 1266 organizations, i.e., was billing done separately to the American Conservative Trust, International Endowment for the 1268 Preservation of Liberty, and Sentinel? My understanding was the billing, meaning the 1269 invoices, went on projects—yes was billed to particular 1271 organization.

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2 Now did your agency determine which organization to

NAME: HIR257000 Well, we always worked on the assumption that whoever was identified in the disclaimer as a sponsoring 1275 1276 organization was the one we would bill. So that was the basis for the identification of the 1277 1278 billing organization? 1279 That is correct. So, if there were the case that the client was 1280 0 identified as The American Conservative Trust, but the disclaimer on the advertisement read National Endowment for 1282 the Preservation of Liberty, it is your understanding that 1283 the practice within the firm would be to bill the National 1285 Endowment for the Preservation of Liberty, is that correct? 1286 A That is correct. 2 I ask the reporter to mark as Goodman Deposition 1288 Exhibit 5 for identification a document produced by counsel 1289 for Mr. Goodman, headed American Conservative Trust. On the first line it states Congressional insert. 1291 [Exhibit No. 5 was marked for identification.] 1292 2 Mr. Goodman, I show you Goodman Deposition Exhibit 5 for identification and ask you if you recognize that 1294 document? 1295 Yes, I do. What is that document? 1296

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the subjects that were going to be used, or would be the

1297

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It was prepared by someone in our agency to reflect

1299 focus of television commercials that we were proposing to do 1300 for The American Conservative Trust, and this particular 1301 series of spots--if I may take a moment--1302 [Discussion off the record.] 1303 THE WITHESS: I am sorry. Yes, this was a sheet reflecting the subjects of spots that were going to be done 1304 1305 invoking the SDI issue, also known as Star Wars, as an issue 1306 that might make some kind of difference in political campaigns that were on-going. I know, at least I can say, 1307 1308 that was the case in the first two subjects identified, which 1309 are Tim Wirth, who was the then Congressman from the state 1310 of Colorado, subsequently, won election to the U.S. Senate, 1311 and Alan Cranston, who was running for re-election, and zansuccessfully for the U.S. Senate in the state of California. 1312 BY MR. FRYMAN: 1313 This sheet, you say, was prepared by someone within 1314 1315 your agency? I believe it was, yes. I think, Tom, it was 1316

1317 probably prepared for whoever it was that actually went in 1318 and produced these particular spots.

Q If you will look, Mr. Goodman, at Exhibit 4 and 1319 1320 particularly the advertisements dated October 17th, 1986, your commercial number 1010.

1322 A Okay.

Q If you will look at that script for ''Back Down'' 1323

KAME:	HIR257000 PAGE 54
1324	and then look at Exhibit 5, Mr. Goodman, does Exhibit 5
1325	appear to you to be related to the ''Back Down'' script?
1326	. A Yes.
1327	. Q Does this appear to be some additional copy to
1328	tailor the ''Back Down'' script to a particular campaign?
1329	. A Okay, the sheet marked Exhibit 5, my recollection
1.330	is it was to be used for ten second spots based on the same
1331	wind, same theme, and the intent as the script you have
1332	identified as ''Back Down'' commercial number 1010. 1010 is
1333	a 30 second version of this idea, and Exhibit 5 is the ten
1334	h المانية المانية المانية المانية المانية المانية المانية المانية المانية المانية المانية المانية المانية المانية secondwhat we call ten-second nooll of the 30 second.
1335	. \mathbf{Q} Going back to Exhibit 3, which is the list of the
1336	completed spots, under the ACT list there is an indication
1337	of a ''Back Down'' spot being prepared for Cranston, Wirth,
1338	Bryant, Wright, and Coleman. Is it your understanding that
1339	those ''Back Down'' spots are related to the script for
1340	commercial number 1010 which is a part of Exhibit 4?
1341	. A Yes, that is my undecstanding.
1342	. Q And does Exhibit 5 appear to you to be the script
1343	for the shorter ten-second spots that are reflected on that
1344	list under the title, ''Remember''?
1345	. A That is correct.
1346	. Q For the same raises?
1347	. A Yes, sir.
1348	. Q I ask the reporter to mark as Goodman Deposition

NAME:	HIR257000 UNCLASSIFIED PAGE 55
1349	Exhibit 6 for identification a 13 page script produced by
1350	counsel for Mr. Goodman headed, ''The Micaraguan Contras:
1351	An Update Marration and Voice Script 10/10/85''.
1352	. [Exhibit No. 6 was marked for identification.]
1353	. Q Mr. Goodman, I show you Exhibit 6 for
1354	identification. Do you recognize that document?
1355	. A Yes, I do.
1356	. Q What is that document?
1357	. A This was a script that was prepared at Mr.
1358	Channell's request for a film that we wanted to do on the
1359	Nicaraguan resistance, and my recollection was that this was
1360	produced, prepared and produced after we had been shown a
1361	film that had already been finished, and our understanding
1362	was it was either filmed or coordinated, or one way or
1363	another, by Mr. Miller and his associates on the situation
1364	in Micaragua.
1365	. We were asked to view the film with Mr. Channell one
1366	day, I believe we were up in our office outside of
1367	Baltimore, and not be indelicate, but the reviews from that
1368	particular film were not rape. They were very disappointing,
1369	I think it was really not only they did not get the point
1370	across, they were trying to in this particular film, but
1371	one of the more amateurish attempts at a moving piece of
1372	film documentary we had seen in quite a time.
1373	. I shouldn't have used the word amateurish, It was not
- 1	

PAGE the best effort. So, we were asked to wiew it. Channell our assessments, basically, we don't really like 1375 1376 this at all, and he said, can you do something about it? We 1377 said, we will try. So, Ron Mitner went about the task, and 1378 he wrote the script, which my recollection is, we eventually 1379 produced -- from which we eventually produced a film called, "'The Micaraguan Contras Update''. 1380 Do you know whose handwriting is on these pages? 1381 That is Mr. Wilner's handwriting and referring to 1382 visuals, he saw to match the copy. . 1383 Now, it is written at the left hand of the first 1385 page title of, "The Freedom Fighters of Micaragua an Update''? 1386 1387 If you will look again at Exhibit 3, the first item 1388 appears to be, ''The Freedom Fighters of Micaragua''--is it 1389 your understanding that this was the shooting script for it--1391 Yes. 1392 First item on Exhibit 3, that correct? I ask the reporter to mark as Goodman Deposition Exhibit 7 for 1394 - identification a series of sheets produced by counsel for Mr. Goodman concerning various advertisements identified in 1395 1396 Exhibit 3 which contain a combination of text of the

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[Exhibit No. 7 was marked for identification.]

advertisements and photographs.

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57 Mr. Goodman, would you examine the pages that are 1400 contained in Exhibit 7 and tell me if you recognize those 1401 Yes, we do--I am sorry--yes, I do. 1402 1403 Off the record. 1404 [Discussion off the record.] 1405 BY MR. FRYMAN: 1406 Do you recognize those pages? 1407 And were they prepared by your agency? 1408 Q 1409 Yes, they were. How would you describe these pages? 1410 In the ad business, they have a thing called, 1411 ''story board'' or ''story boarding'', and traditionally 1412 1413 what happens before you actually go out and produce an ad, you will go out with an artist conception of each and every 1414 ್ರಾಗ್ಯ ಮುಡ್ಡಿ ಸಾಗ್ರಾಮಿ visual frame--which frame sometimes with & copy that goes 1415 with it that you present to a client so that he or she can 1416 get a good feel of how that spot is going to go and see 1418 specifically how copy matches visuals. In this case, we did it somewhat in reverse. 1419 Mr. Channell's request or one of his associates, we would do 1420

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1422

these after a spot had been filmed, after it had been $\exp C^{\text{CP}}$

produced and Ron Wilner, in our agency, would go home at

night and put this spot up on his VCR and freeze-frame it--

UNCLASSIFIED at different times take out his camera and shoot pictures frame-by-frame. It wasn't the most professional thing in 1425 the world, perhaps, but it worked and we would then take 1426 those pictures, just take a piece with the appropriate copy, 1427 and with the pictures in the spot, and would get camera-1428 ready art done for these pieces -- then send -- I think we would then send, in most cases, copy of the camera-ready art to 1430 1431 Mr. Channell or, in many cases, Mr. Conrad, who would then approve it and say, that looks great, then take, camera-ready art and have it reproduced, generally, in volumes of, I 1433 think, 500 pieces at a time. 1434 For each spot they wanted 500 copies -- glossy copies of Seym :) الازيان these particular what, we call ''story-boards''. 1436 1437 Did they indicate to you what use they intended to 1438 make of these? Yes. On more than one occasion, he indicated they 1439 were going to be used in one form or another for 1440 fundraising. They would be sent or given--er one of the others to the contributors to let them know what about the 1442 spots that were actually on the air or going on the air. 1443

. We were told this was for fundraising purposes.

1445 . Q Would the text in these ''story-boards'' be taken
1446 from the scripts which are included in Exhibit 4?

1447 . A Yes, sir.

1448 . 2 Now, your initial retention by the Channell

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RALE RIKESTOOD QUINTING PAC 59

1449 organizations was for an issue advocacy campaign related to

1450 Nicaragua, is that correct?

451 . A That is correct.

1452 . Q In 1985 and 1986, from your knowledge of the work

1453 for this client, would you say that most of your agency's

1454 work was done in connection with that issue advocacy

1455 campaign?

1456 . A Meaning in Nicaragua?

1457 . Q Meaning the Micaraguan-related campaign.

1458 . A That is correct.

1459 . Q You did some work for other projects for Mr.

1460 Channell?

1461 . A Some SDI--most of it was dedicated to the Micaraguan

1462 resistance, that is correct.

1463 . Q Turning again to Exhibit 3, which is the list of

1464 completed advertisements, can you go through that list and,

1465 if necessary feel free to refer to Exhibit 4 or Exhibit 7 if

1466 you need to, and identify the advertisements that were

1467 related in any way to the Nicaragua campaign?

1468 . A Okay. The first--

1469 . 2 If you will read the name for the record.

1470 . A Freedom Fighters of Micaragua, which was the 13

1471 minute, 16 second film -- Freedom Can't Work -- Korean Airliner,

1472 Party's Over, McDonald Memorial--McDonald Message--

1473 . Q Any others under the--

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No others listed under ACT. So the others under ACT, Morning of Peace, related 1475 1476 to what? That related to the President's trip, and really 1477 1478 talking here about the threat of nuclear war and trying to 1479 make the world safer for everybody--Morning of Peace profiles 1480 a little girl waking up in the morning hoping for the day 1481 and many more days of a nuclear-free world. 1482 cheering the President on using the SDI issue, or using this issue of nuclear peace. 1484 Then there is the series of ads listed on Exhibit 3 under ACT headed, Remember and Back Down, which we have 1485 already reviewed. 1486 1487 Yes, sir. 1488 2 And those related to the Congressional campaigns in 1489 the fall of 1986? 1490 That is correct. 1491 MR. SCOTT: I object to the form of that question. I don't think we have established any of those related to 1492 any Congressional campaign. I think they established they 1493 1494 related to the SDI issue and I don't think we have any of these that were directly related to a political campaign. 1495 1496 BY MR. FRYMAN:

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political campaigns in the fall of 1986?

Let me ask the question. Did they relate to

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14991 That is a good question. It was our understanding from Mr. Channell that the SDI issue was a salient, perhaps, 1500 Cheminas) devisive issue in the fall campaigns. We had done work on 1501 the SDI issue previous to that with Morning of Peace and 1502 You have to ask Mr. Channell, specifically, what 1503 others. was going through his mind with these spots. Our impression 1504 אָשְּׁאָייִלְּיּלְּעָּ cartainly these were being used--certainly they were aired in 1505 the last week or two of the campaign--in our case one place--1506 Colorado--very clear to us--this was morning-just promoting 1507 1508 SDI issues for the sake of the issue, it had other ramifications. 1509 Was it your understanding that these ads were 1510 1511 directed to try to defeat particular candidates? Well, in the case of the one spot that actually was 1512 aired in this whole series in Colorado--1513 1514 That was with regard to Wirth? It was very clear to us that was the 1515 Yes, sir. intention of Mr. Channell. I don't know what his intention 1516 For instance, I see the same problem with Mr. Cranston 1517 even though we never got to the point of putting that on 1518

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television. I can't recall with the other three what the

identified here relating to five candidates, that being

I don't know if they were involved in a very

Of the five that were prepared or the five that are

It that was really a salient here

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intention was.

close campaign or not.

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NAME:	HIR257000 HINGLADDIFIED PAGE 62
1524	Cranston, Wirth, Bryant, Wright, and Coleman, the only ad
1525	that ran was in the Wirth campaign?
1526	. A That is correct, and there were two ads for the
1527	Wirth campaign.
1528	. 2 % 30-second ad and a ten-second ad?
1529	. A That is correct.
1530	. Q Turning back again to Exhibit 3, Mr. Goodman, if
1531	you will look at the advertisements under the heading, XEPL,
1532	if you would identify which of those advertisements concern
1533	the Xicaraguan issue?
1534	. A Well, again you see listedthe two spots listed
1535	under ACT called, McDonald Memorial and McDonald Message. A
1536	spot called, Facts, They Are Us, Letter, FlagI don't see
1537	the script for thisI am pretty sure the spot review
1538	goesThrow Money, Terrorist Influence-Rrevised
1539	. Q On the script for Refugees goes, if you would look
1540	in Exhibit 4 under the date of February 19th, 1986,
1541	commercial number 6-
1542	عزن ﴿
1543	Micaraguan resistance.
1544	
1545	•
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1546	
1547	Niceraguan Update.
1548	O and just to make sure that the record is clear. Mr.

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1549	Goodman, in the group of advertisements listed under NEPL,
1550	the ones that did not relate to Nicaragua were which?
1551	. A Okaythank youPresident's Oath, Will They Wait
1552	also was not involved in that issue.
1553	. 2 Now, on Exhibit 3 again, the advertisements listed
1554	under Sentinel, which of those related to Nicaragua?
1555	. A All of them, all the ones listed.
1556	. 2 Mr. Goodman, do you recalldid Oliver North ever
1557	provide any assistance in the preparation of any of the
1558	advertisements that are reflected in Exhibit 3 through 7?
1559	. A He did not. His office, however, on one occasion
1560	did provide us with some film footage that was arranged for
1561	initially through Mr. Channell and/or some of his
1562	associates, but we never had any contact with Oliver North
1563	that in any way, to our knowledge, in way had impact on
1564	what we how the scripts read or choice of visuals or anything
1565	having to do with the ads themselves.
1566	. Q What was the advertisement that you were just
1567	referring to?
1568	. A There was an advertisementwell, there were some
1569	film footage we were looking for, which was some footage of
1570	the new Soviet issue, MI helicopters, I think it was, MI
1571	24'ssorry I can't recollect. It is the new super gunship
1572	that the President and others have alluded to, and in
1573	discussing the increasing militarization in Nicaragua under

President Ortega and 1575 1576 certain kinds of footage.

as we had on a number of occasions, Tom, to find -- get some ideas where we could find

1577 Mr. Channell said one of his associates said something 1578 to the effect, maybe we can help you here and eventually the 1579 result of that -- he put us in touch with Fawn Hall, Mr. North's assistant, and she said that she had some footage 1580 that we were looking for she would be sending it to us. 1581 1582 Now, as far as where that footage came from, I know that I was not involved personally in the discussion, initial 1583 discussion -- it might have been Mr. Wilner, where it was 1584 1585

actually coming from. Though I have talked to him and I am not sure he is totally sure either. But, it did come from Fawn Hall and 1587 she mailed it. She messengered it or Federal Expressed it over to us, and eventually it was used in one or two of the spots you see listed on Exhibit 3.

Was one of the spots entitled, Helicopters? 1591

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1588 1589

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And your knowledge of this comes from conversations 1593 Q with Mr. Wilner or do you have other independent knowledge? 1594

I had at least one conversation with Mr. Channell 1595

about the need for this kind of footage, and my 1596

1597 understanding is Mr. Wilner also had at least one

1598 conversation with Mr. Channell or somebody else, and I had

NAME: HIR257000 PAGE 1599 at least one conversation with Fawn Hall to, essentially, to 1600 arrange for the delivery of footage she, at that point, had 1601 in her possession. 1602 2 In your conversation with Mr. Channell, did he say 1603 that you could obtain this footage from Colonel North's office or Fawn Hall, or anything to that effect? 1604 . A I have no recollection of that, no I don't. He may 1605 have said that, I just don't recall that. 1606 1607 Q What is your source of information as to why 1608 Colonel North's office was contacted, is this Mr. Wilner 1609 reporting to you, or is there some other source of 1610 information? 1611 . A Ron and I both had received calls about this 1612 particular issue, this particular film footage. If the 1613 question is, why would we call Colonel North's office and 1614 talk to, in this case, Fawn Hall, we were directed to do so by Mr. Channell. 1615 1616 You were not directed, you don't recall Mr. 1617 Channell directing you to do this?

1618 I don't recall him telling me to work through

1619 Colonel North's office to get this footage. My

1620 understanding was that Spitz Channell or one of his

associates initiated the process whereby that footage was 1621

1622 purveyed and, at that point, we were told that was in the

possession of Fawn Hall, the got that film from her. 1623

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Q

16241

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Is it your understanding that Mr. Wilner is the person in your agency who was told to pick up the footage at Colonel

North's office?

A I believe I was the one who was told that Fawn Hall had the footage, to call and make arrangements for her to send that to us.

What I am trying to determine is, who told whom?

1631 . Q All right, maybe I am confused by your earlier
1632 answer. I understood your earlier answer that in your
1633 discussion with Mr. Channell, he had not indicated to you
1634 that you could obtain this footage at Colonel North's
1635 office.

1636 . A I don't recall him having indicated that in the 1637 first conversation.

1638 . Q Was there a subsequent conversation that you 1639 recall?

1640 . A Not that I recall, but I believe, parhaps, Ron
1641 talked to Mr. Channell about that footage. He was very
1642 interested in getting it, if possible, and that is how it
1643 all developed. I am a little bit--as you can see--I am a
1644 little unclear about the specifics because I think both Ron
1645 and I, at different points, interfaced in the process.

1646 . Q You are unclear as to whether the second

1647 conversation directing the agency to get the footage at

1648 Colonel North's office--whether that conversation was with

SAM ASSIDILA

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1649	you or with Mr. Wilner?
1650	. A That is correct.
1651	. Q Is that correct?
1652	. A That is correct.
1653	. Q But you recall, then, a later conversation when you
1654	spoke to Fawn Hall?
1655	. A Yes.
1656	. 2 About arranging for the pick up of the footage?
1657	. A That is correct.
1658	. Q What do you recall about that conversation?
1659	. A Nothing extraordinary, just a short conversation
1660	and she indicated she had the footage, and we agreed on the
1661	method of delivery, which was either by messenger or Federal
1662	Express. It was probably by messenger. They wanted to
1663	protect that film with their lives.
1664	. Q Had you met Fawn Hall before?
1665	. A I had no recollection of having met Fawn Hall at
1666	any time during this whole process.
1667	. Q When you called here, did she indicate that she was
1668	expecting your call?
1669	. A Yes, she did.
1670	. 2 She indicated the footage was ready to be shipped
1671	to you?
1672	. À Yes.
1673	. Q But you had no direct contact with Colonel North?
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1675 . Q And, to your knowledge, was this the only incident
1676 where Colonel North's office provided any assistance to your
1677 agency in connection with the preparation of any of the

1678 advertisements for Mr. Channell?

1679 . A That is correct.

1680 . Q The helicopter footage that you have been referring 1681 to, is that footage of what is known as a Hind helicopter?

1682 . A That was our understanding, yes.

1683 . Q Now, turning again to Exhibit 3 Mr. Goodman, which
1684 is the list of completed advertisements by your agency, a
1685 number of those advertisements were run on various
1686 television stations in the United States, were they not?

. A That is correct.

1688 . Q Do you have any information that the time on the 1689 television station for running those ads was ever purchased 1690 in any manner other than through your agency?

1691 . A We have no knowledge of that.

1692 . Q Do you have any information that would indicate, in 1693 any way, that that every occurred?

1694 . A Xo.

1687

1695 . MR. SCOTT: Did you understand the question?

1696 . THE WITNESS: Off the record.

1697 . MR. FRYMAN: Let's go off the record.

1698 . [Discussion off the record.]

[Recess at 12:15.] 1699 1700 BY MR. FRYMAN: Referring again to Exhibit 3, Mr. Goodman, do you 1702 have any information that indicates, in any way, that any of 1703 the charges relating to any advertisements on Exhibit 3 by 1704 your agency, or any of the charges for the purchase of 1705 advertising time on television stations for such ads, was 1706 billed by your agency to any entity or person other than The 1707 American Conservative Trust, The National Endowment for the 1708 Preservation of Liberty, or Sentinel? I don't recall, I am not aware of any billings to 1709 1710 any other groups. And you are not aware of any information that would 1711 1712 indicate that there was any such billing? A I am not aware of any information. 1713 1714 So, just to make this totally clear on the record, 1715 to the best of your knowledge, all charges by your agency 1716 related to these advertisements, and all purchases of 1717 advertising time relating to these advertisements, were 1718 billed either to The American Conservative Trust, The 1719 National Endowment for the Preservation of Liberty, or 1720 Sentinel? 1721 A That is correct.

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Exibit 8 for identification a document produced by counsel

Q I ask the reporter to mark as Goodman Deposition

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1724 for Mr. Goodman, the first page is on the letterhead of The 1725 Robert Goodman Agency, Inc., and the second page indicates 1726 that the document is entitled, ''NEPL/ACT/Sentinel: A Media Chronolgoy 1/10/87.** 1727 1728 [Exhibit No. 8 was marked for identification.] 1729 Mr. Goodman, I show you Goodman Deposition Exhibit 1730 8 for identification and ask you if you recognize that 1731 document? 1732 Yes, I do. Were you involved in the preparation of this 1733 1734 document? 1735 A Yes, I was. What was the reason that this document was 1736 Q 1737 prepared? 1738 May I review it for a second? 1739 0 Yes. 1740 I was directed to prepare this summary. I call it h 1741 a paid media chronology. It really tries to summarize all of the various media, flights by flights—I mean series of 1743 programs that we had produced over the course of our relationship with Mr. Channell and his affiliated 1745 organizations from April of 1985 through the end of 1986.

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My recollection is that this document or this

Richard Hiller. This was dated January 10th. It was

information was requested by a person affiliated with Mr.

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1771

PAGE

probably close to that point, his name was Jeff--first name 1750 was Jeff. 1751

Was it Keifer or Kefer?

Yes, sir. Jeff Keifer or Kefer. 1752 1753 their purposes, they just needed to have a record of what 1754 had been aired, including basically more importantly, he 1755 wanted to know how much money we had spent over the course of our relationship with MEPL, ACT, Sentinel; and this was provided, I believe to them; and at a later point, may have 1757 been provided upon per request to Mr. Channell. 1758 1759 My best recollection was that Jeff Keifer is the one Some To summary of who called us and wanted us to give himakind of a summary of 1760 1761 what had been spent. 2 Now, Mr. Goodman, in this document, for example, on 1762 1763

the second page of the document which is Exhibit 8, there 1764 are numbers used to identify spots. At the top of the page 1765 there is number 301, which refers to the spot headed, 1766 ''Freedom Can't Work'' and number 302 refers to the spot. 1767 "'Korean Airliner". Then down in the spots aired column 1768 below that, there is reference to those numbers. Do those 1769 numbers refer to the commercial number which are on the

commercial scripts, some of which are, or all of which are, included in Goodman Deposition Exhibit 4 for identification?

1772 A That is correct. May I make one point of 1773 clarification? I think the request from Jeff was just

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for-he wanted to know how much money was spent on each of the flights. I thought, I pride myself, on being thorough and somewhat of a perfectionist. I thought for his purposes, just for our purposes, it would be good to get at complete as possible; file as I could of the various flights; which is why I think I wanted to put in which spots aired and which of the markets, and so forth.

I don't recall him having asked for that information.

I think he was only interested in the dollars and cents.

2 You indicate in the first page of this memo that you are still trying to validate the sponsorship of the

1785 third media flight which you described as the ''Morning of 1786 Peace'' project.

. A That is correct.

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1788 . Q I ask the reporter to mark as Goodman Deposition
1789 Exhibit 9 for identification another document produced by
1790 counsel for the Goodman Agency, which is on the letterhead
1791 of The Goodman Agency, the document is dated July 9th, 1987,
1792 and it contains financial information relating to 1) 'First
1793 Project', 2) 'Norning of Peace Project', and 3) 'October
1794 23, 1985-Production of the TV Spots'.

. [Exhibit No. 9 was marked for identification.]

1796 . Q Mr. Goodman, I ask you to look at Goodman

1797 Deposition Exhibit 9 for identification, and I ask if you

1798 recognize that document?

	•
NAME:	HIR257000 INCLUSION PACE 73
17991	. A I don't recollect this particular document, but I
1800	
1801	Q Were you involved in the preparation of this
1802	document? ハルローバル・
1803	. A I am sure I was consulted at some point, Part my
1804	knowledge about the three things, alluded to in this $constant$
1805	piecebut my-best I believe, Tom, this was prepared by
1806	Colleen Vickers, our accountant.
1807	. 2 Do you know why this was prepared?
1808	. A Well, let me go back. When the press first started
1809	to get interested in this story, vis a vis Mr. Channell, in
1810	our desire to be as forthright and candid as possible in
1811	this, because we, as these stories started to break, we
1812	found ourselves very surprised by the course of events and
1813	very unaware of lots of things being talked about and
1814	جرية المراكبة المراكبة discussed, and we had an occasion to, in that with that
1815	approach in mind, rightly or wrongly, in some ways I wish we
1816	could have started over again, we tried to field each and
1817	every press call that came in because, seemingly, Mr.
1818	Channell and others weren't offering a heck of a lot of
1819	press conferences at this point in time.
1820	. We apparently seemed to be likely targets for any kind
1821	of information having to do with Mr. Channell's activities.
1822	During the course of that, we thought we were asked a
1823	question by a reporter at one point about dollars and cents The

PAGE 74 of our relationship with Mr. Channell, and we did a quick response to one question, review probably within half hour 1825 or less of our books and gave out certain numbers. 1826 SE いかいましかいけん spent so much with ACT, spent so much with Sentinent, and so 1827 Sentinel 1828 much with NEPL. Then, more than one press reporter started to p 1829 the possible inconsistency between what we were reporting 1830 $\frac{\mathrm{ch}\, \mathrm{D}_{\mathrm{CM}}}{\mathrm{had} \, \, \mathrm{been} \, \, \mathrm{spent} \, \, \mathrm{with} \, \, \mathrm{these} \, \, \mathrm{various} \, \, \mathrm{organizations} \, \, \frac{\mathrm{s}}{\mathrm{and}} \, \, \mathrm{with} \, \, \mathrm{the}}{\mathrm{th}}$ 1831 1832 other information they gleaned from other places, so we then decided we would embark; that plus the fact the story was 1833 אין וולי נודים becoming more than bad material, we would embark on doing a 1834 review of our own books to make absolutely sure--checking all $\overset{\gamma_1}{-} \bot_{i} \overset{\gamma_1}{-}$ 1835 of our invoices, all of our billings, about the accounting 1836 1837 in this relationship. של האונים On this, this page, under nitem listed "Morning of 1838 1839 Peace Project No. 2'', we discovered that the biggest 1840 supposed discrepancy between what our books and billing reflected and what we were hearing Mr. Channell was saying 1841 involved the ''Morning of Peace'' project. 1842 It was a spot 1843 that we produced with the disclaimer of The American Conservative Trust. Our recollection is we were told this 1844 was to be a responsibility sponsored by The American 1845 1846 Conservative Trust by either Mr. Channell or one of his

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We billed all of the expenses of the time buy and

1847

1848

associates.

75 PAGE production to The American Conservative Trust on this 1850 particular spot. We not only had, going back to your earlier questions, not only had a visual disclaimer, but 1851 audio disclaimer as well. So, for the viewer, someone 1852 1853 reviewing this particular spot, there is absolutely no 1854 question that this spot was paid for by The American Conservative Trust as seen and heard as you see. 1855 Even after the fact when, I think, I discovered we had failed to bill Mr. Channell for a couple hundred dollars 1857 worth of time buy, I think a spot we added on to the 1858 1859 schedule, I think I offered a short letter apologizing the 1860 oversight saying he still owed whatever the amount was to this project on The American Conservative Trust. So, from 1861 1862 start to finish, we were under the clear impression we had a clear direction that this was an American Conservative Trust-1864 type sponsored spot. The reason it is highlighted on this 1865 memo is that Mr. Channell subsequently claimed that it should have been a spot sponsored by MEPL, Mational 1867 Endowment for the Preservation of Liberty. And he had a 1868 conversation with Bob Goodman at one point about that, 1869 sometime earlier this year. 1870

And, I think, it became clear that there is a difference in recollections if that is the word about this particular project—Mr. Channell saying We, essentially, that this should have been a NEPL project, and we, our agency

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saying, well, we not only billed everything to ACT, and even wrote a letter far after the project had finished, was Con 1500 - 1876-34 completed, we alluded to ACT, for heaven's sake, the spot it 1876 1877 had a visual and audio disclaimer saying ACT as well. 1878 So, that is why we call this a discrepancy because, 1879 upon review of our books in late 1986 or early 1987, then we 1880 thought we had better do a thorough search of--that we 1881 discovered to our surprise that a payment for this project 1882 was made to us, not from ACT, American Conservative Trust, 1883 but NEPL, National Endowment for the Preservation of 1884 Liberty. Why did you care? 1885 1886 In fact, our accounts our accountant, Melva at this point, we talked to her about 1888 this. And she said all along she didn't know the difference THE OTHER
between one organization and another, and she said, if I got 1889 \$100,000 from Mr. Channell regardless of what the masthead ການການ ການການ on the check was, that it matched what was being asked for 1891 1892 in the invoice, whatever -- that that was enough to satisfy her 1893 given her interpretation of -- without any input and one shared by all of us that we didn't know the difference, if there 1894 1895 were any, between the various organizations. What prompted the preparation of Goodman Deposition Exhibit 9 in July of 1987? Was there some event at that 1897

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1898

time?

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PAGE

18991 . A No event, we just wanted to see how we could, 1900 basically, square accounts. What had happened and what our 1901 books had reflected. In other words, we, in doing a review 1902 of the accounting-greview, all of our books, came up with what we call a discrepancy in amounts that exceeded \$120,000 __--1903 Most of which had to do with this ''Morning of Peace'' spot. 1904 . Q Was this July 9th memo a follow-up to the January 1905 10th memo which is Exhibit 8? 1906 1907 No. 1908 Well, for example, what I am getting at, in the cover page you indicate that there is still some open 1909 questions with regard to the ''Morning of Peace'' project. 1910 A That is correct. 2 But it is not your recollection that Exhibit 9 is 1912 1913 with some follow-on effort to clarify what is--the questions 1914 that are left open in Exhibit 8? A It was an effort for us to understand what the discrepancies were, including the ''Morning of Peace'' 1916 project, but we didn't prepare the July 9th, 1987 document 1917 1918 as a part of or a--Supplement to--1919 Q Supplement to--right--the January 10th, 1987 1920

1921 document.

2 You don't recall that any specific event prompted 1922

1923 the preparation of Exhibit 9?

1924	. A Tom, early in the process, meaning the process of
1925	review, we discovered thatdiscovered this problem so to
1926	speak with the ''Morning of Peace'' spot that we had billed
1927	it as an ACT spoteverything I have revealed to you, and
1928	that we had received payment for it, not from ACT but NEPL,
1929	which our accountant, or Melva, had taken in and deposited,
1930	and so forthand not knowing there is any problem or any
1931	difference between the two.
1932	. MR. SCOTT: Just for the record, I believe Exhibit
1933	9 was not part of the original document production by The
1934	Goodman Agency. I believe Exhibit 9 was a document produced
1935	by Robert Goodman at an informal interview.
1936	. THE WITNESS: That is correct.
1937	. MR. SCOTT: I believe it was prepared for Robert
1938	Goodman's benefit to assist him in that informal interview
1939	in answering questions that you or any members of the
1940	Committee might have with regard to these issues.
1941	. MR. SCHWAIT: That informal committee interview was
1942	on July 9th.
1943	. THE WITHESS: That is correct.

Is that your recollection? 1945

1946

Going back to Exhibit 8, on page 3 of that exhibit, 1947

1948 the Flight 3, the reference to the ''Morning of Peace''

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1949 interview--I said page 3, but it is page 2 of the memo, it is 1950 the third page including the cover page--you have been 1951 sponsored by and you have both organizations listed there, 1952 what was the reason for that? 1953 Because of the confusion. This document was بر المراجبة بالمراجبة prepared as we have gone through the review process, and as 1954 1955 alluded to in the cover memo, we are still trying to 1956 validate the precise and proper sponsorship of the third media flight listed in the study in brackets, the ''Morning 1957 of Peace'' project. I wanted to make darn sure before I 1958 1959 made any firm statement that this was funded by ACT, that we 1960 could, in fact, back that up with our invoices and billings, 1961 and letters, or any other kind of correspondence, and, in 1962 fact, at the review, were able to do that. 1963 I ask the reporter to mark as Goodman Deposition Exhibit 10 for identification a series of pages on the 1964 1965 letterhead of The Robert Goodman Agency, Inc., headed, 1966 "'NEPL Freedom Fighters TV National Spot Placement 1967 Television Analysis Market Overview''. 1968 I will state for the record that the copy of this 1969 document that is being marked today is a copy that was 1970 produced by counsel for another entity. I am not certain 1971 whether or not this document was included in the Goodman 1972 production. It may have been. But I just want to make

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clear for the record that the copy that is being marked was

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1974 produced by another organization.

1975 . [Exhibit No. 10 was marked for identification.]

1976 . Q Mr. Goodman, I ask you to look at Goodman

1977 Deposition Exhibit 10 for identification and tell me if you

1978 recognize that document?

1979 . A Yes, I do.

1980 . 2 Were you involved in the preparation of this

1981 document?

1983

1991

1997

1982 . A I prepared this document.

. Q What was the reason this was prepared?

1984 . A Tom, this and other documents like it were

1985 prepared -- this is a MEPL freedom fighter project -- were

1986 prepared in the first part of 1986 as I tried as a media

1987 director--part of my responsibility with any client was to

1988 try to get them a sense of what we call the price of

1989 admission to in doing television for any particular project.

1990 . Without the benefit of knowing which markets they might

want to use in this particular campaign-mcampaign where our

1992 understanding was, certainly, and clearly, that we were

1993 trying to influence a pending vote in Washington on contra

1994 aid. That without any benefit of any input on who or where

1995 we might go in the country, I undertook an independent

1996 analysis without any input from--really--from anybody--took a

lot of guesses where this program might be going and how to

1998 make those educated guesses.

PAGE 81 in, I think, 1985, votes including votes on the Boland 2000 2001 Amendment and other key, supposedly key, contra aid or what I considered to be important votes. And, at that point, I had 2002 2003 had what seemed to be likely or possible swing votes or 2004 Congressmen who might--who seemed to have voted on both sides of the issue, depending on the amendment or the vote that 2005 2006 was before the House at that point, that made an intelligent 2007 campaign or any other campaign of influence, be considered 2008 persuadable. And this was done simply so I could tell Mr. 2009 Channell and his associates. Give them an idea what the 2010 price of admission was, what the cost of doing a national 2011 television program might be. 2012 Let me make sure I understand the basic nature of 2013 this document. This is a planning document? A 2014 Yes, sir. 2015 Q Is that correct? A Yes, sir, planning for my purposes, so, to get a 2016 feel for what the cost might be and, certainly, planning for 2017 Mr. Channell so he could have a sense of what, perhaps, how عن חוי دوين much money he is going to need to raise to do the program as 2019 outlined.

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report of expenditures that have already occurred?

A That is correct.

Q So, this is a budgeting document rather than a

2020

2022

.

2024 . Q Is that correct?

2025 . A Yes, sir.

2026 . MR. SCOTT: That particular document, I think, we

PAGE

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2027 did produce that and this particular part of it is

2028 incomplete. I think we also produced it with a cover

2029 letter, Adam, that explained its purpose--the fact it was

2030 just to be used as a planning type document.

2031 . THE WITNESS: That is right.

2032 MR. SCOTT: Off the record.

2033 . [Discussion off the record.]

2034 . BY MR. FRYMAN:

2039

2048

2035 . Q Back on the record.

2036 . Mr. Scott, as I indicated at the beginning, this

2037 document may have well been in the materials produced by you

2038 on behalf of Mr. Goodman. It is just that, in selecting the

materials for the deposition today, this particular document

2040 we selected from another source.

2041 . I ask the reporter to mark as Goodman Deposition

2042 Exhibit 11 for identification documents produced by counsel

2043 for the Goodman Agency relating to billings by the Goodman

2044 Agency to The American Conservative Trust. This exhibit

2045 includes four summary sheets dated December 22nd, 1986, a

2046 letter dated January 15th, 1987, from Colleen W. Vickers to

2047 Mr. Channell, together with documentation referred to in

that January 15th letter. In addition, the exhibit includes

83 the invoices that are referred to in one of the documents 2050 dated December 22nd, 1986, which is headed, Statement, and the invoice numbers reflected on that statement are the 2052 invoices that appear in that exhibit. [Exhibit No. 11 was marked for idenification.] 2053 2054 If you would look through Exhibit 11, Mr. Goodman, 2055 and just confirm that you recognize those documents as documents of your organization? 2056 2057 I sure do. 2058 I ask the reporter to mark as Goodman Deposition 12 2059 for identification a group of materials produced by the 2060 Goodman Agency relating to billings to the National 2061 Endowment for the Preservation of Liberty. A I had better make one correction for the record. 2062 2063 Our former bookkeeper, her last married name, I knew her as 2064 Melva McCormick, her last name at this point is still Melva

Croghan. Melva McCormick and Melva Croghan are one and the 2065 same person. Goodman Deposition Exhibit 12 includes a summary statement directed to the National Endowment for the Preservation of Liberty, dated December 22nd, 1986, a further statement of the same date listing specific invoices, covering four pages, a further statement of the same date of three pages, listing items of income, a letter dated December 23rd, 1986, from Melva Croghan to Mr.

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organization.

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2074! Channell, a summary statement dated December 22nd, 1986, a 2075 similar statement dated February 12th, 1986, supporting 2076 documentation for the checks and wire transfers to the 2077 Goodman Agency, and the Goodman Agency invoices listed in the February 12th, 1987 statement, together with four 2078 2079 additional invoices numbered 4423, 4539, 4659, and 4744. 2080 [Exhibit No. 12 was marked for identification.] Mr. Goodman, I ask you to look through Exhibit 12 2081 Q 2082 and just confirm that you recognize those documents as documents produced by your organization. Yes, I recognize that. 2084 2085 Finally, in this particular area, I would ask the 2086 reporter to mark as Goodman Deposition Exhibit 13 for identification, a series of documents produced by counsel 2087 2088 for the Goodman Agency relating to billings to Sentinel. In 2089 this exhibit there are three summary sheets dated December 22nd, 1986, similar sheets dated February 12th, 1986, 2090 together with supporting documentation for the income from 2091 Sentinel and the Goodman Agency invoices referred to in one 2092 2093 of the summary statements. 2094 [Exhibit No. 13 was marked for identification.] Mr. Goodman, if you would look at Exhibit 13, if 2095 you would look through that and just confirm that you 2096

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recognize those documents as materials produced by your

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2099 . A I do.

2100 . Q Off the record.

2101 . [Whereupon, at 1:05 p.m., a luncheon recess was called

2102 to reconvene at 1:45 p.m.]

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2103 RPTS STEIN

DCMN DANIELS 2104

AFTERNOON SESSION 2105

2106 [2:10 p.m.]

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2107 MR. FRYMAN: On the record.

2108 THE WITNESS: During lunch, I was thinking about an 2109 answer to a question having to do with Oliver North and the

question was did he have any participation in the 2110

2111 preparation or development of television spots for Mr.

2112 Channell and his associates.

> Just to make it clear, we had one other contact with Colonel North having nothing to do with the Nicaraqua resistance. The contact per Mr. Channell's request was to get a briefing on the whole issue of terrorism in the country at that point in time. This was some time I believe in early 1986 and the idea was to get some intelligence from

Colonel North that might be used in the preparation of a 2119 2120 film, an educational film on terrorism that Mr. Channell 2121

thought one or mola of his benafactors might be interested

in funding and supporting. 2122

So we got a briefing that day, a rather brief briefing in terms of specifics on terrorism. We ended up developing a film treatment for the terrorism film which we thought was awfully good, but which ultimately was never

used.

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2128	. BY MR. FRYMAN:
2129	. Q On how many occasions did you meet Colonel North?
2130	. A We actually met Colonel Horth, actually met him on
2131	only two occasions. The first occasion was the one I
2132	alluded to. the other occasion was at a meeting in the Old
2133	Executive Office Building in a room called the War Treaty
2134	Room where Mr. Channell and between 30 to 50 of his
2135	supporters were meeting to get a briefing on the situation
2136	in Micaragua and Colonel Morth was one of several speakers
2137	that day, speakers which included Pat Buchanan, former
2138	Communications Director; and the Director, the head of theI
2139	think it was called the Office of Public Liaison, the
2140	person's name escapes me.
2141	. 2 Mr. K-o-j-e-l-i-sfirst nameL-i-n-a-s?
2142	. À Yes.
2143	. They gave this assessment of the situation and
2144	after the meeting when we were milling about before we went
2145	back to the May Adams for the rest of the night's
2146	festivities, Mr. Channell brought Colonel North over to my
2147	father and I and said, ''I want you to meet Bob and Adam
2148	Goodman, who are doing all our television ads,'' and Colonel
2149	North said something to the effect of ''Keep up the good
2150	job, you are doing good work," and that was the extent of
2151	our conversation then.

Beyond that and the terrorism film briefing, ${\bf I}$



NAME: HIR257000 PAGE 2153 didn't have any other direct conversations with Colonel 2154 North. When you say directly, from what are you 2155 Q 2156 distinguishing your direct conversation? 2157 Really just the one conversation we have already 2158 talked about with Fawn Hall, with his office, we had 2159 communication, but that was the only time we actually talked 2160 directly to the colonel. . 2 All right. 2161 Mr. Goodman, this morning we marked as exhibits a 2162 2163 number of statements and invoices produced by your agency. One of those exhibits was Exhibit 1! relating to the 2164 American Conservative Trust, and I indicated in the 2165 description of the exhibit that the invoices were those 2166 2167 described in one of the statements dated December 22, 1986. My notes also indicate that there are, in addition, 2168 two invoices in that Exhibit Nos. 5138 and 5164 which are 2169 2170 not reflected in the statement. 2171 Now--The reason, if I may, if you look at the invoice 2172 2173 dates, the invoice dates on those two invoices are January

5, 1987 and February 10, 1987, which is after the 2174 2175 preparation, it seems, of this document.

2176 Fine.

2177

Returning to Exhibit 8, which was the media

UNCLASSIFIED NAME: HIR257000 PAGE 89 chronology dated January 10, 1987, can you tell me if 2179 Exhibits 11, 12, and 13, which are the materials relating to the American Conservative Trust, NEPL and Sentinel, provide 2180 2181 the source documents that you used in preparing Exhibit 8? 2182 Let's go off the record a minute. [Discussion off the record.] 2183 2184 MR. FRYMAN: On the record. [Whereupon, the record was read by the reporter.] 2185 2186 THE WITNESS: The document in question was prepared 2187 using not only the three other documents that Tom mentioned, but in addition station affidavits, which we have in our possession, station affidavits are simply final invoices 2189 2190 from stations about which spots actually ran, the cost of 2191 those spots and confirmation for our accounting to mesh with 2192 our billing and invoices. MR. FRYMAN: Back on the record. 2193 2194 RY MR. FRYMAN: 2195 Mr. Goodman, Exhibits 11, 12, and 13 indicate that 2196 the total billings by your agency to the three Channell 2197 organizations were approximately \$1.3 million. 2198 Of that total, can you estimate the amount that 2199 related to programs involving Micaragua?

. A Without doing a thorough review of the documents a To #900 or 10 or

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NAME: HIR257000 information in Exhibit 8, which was the January 10, 1987 2203

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1986.

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2204 media chronology, you would need to look at station 2205 affidavits. If you would look, for example, at Exhibit 13, 2206 2207 which relates to the billings to Sentinel, and Invoice 4611 2208 in that exhibit, which appears to relate to the purchase of media time--2209 2210 Yes. 2211 The particular spots are not identified on Invoice 4611, and is that an example of where you would need to look 2212 2213 at station affidavits to prepare the information in Exhibit

2214 8 as well as your agency invoices? 2215 To be absolutely sure of the rotation we would have رُدُنُ اللهِ المِلْمُ اللهِ اللهِ المُلْمُ اللهِ اللهِ اللهِ اللهِ اللهِ اللهِ اللهِ المُلْمُ اللهِ المُلْمُ اللهِ اللهِ المُلْمُ اللهِ المُلْمُ اللهِ اللهِ المُلْمُ اللهِ المُلْمُ اللهِ المُلْمُ اللهِ المُلْمُ اللهِ المُلْمُ اللهِ المُلْمُ اللهِ المُلْمُلِيِّ اللهِ المُلْمُ اللهِ المُلْمُلِي المُلْمُلِي المُلْمُلِيِّ المُلْمُلِيِّ المُلْمُلِيِّ اللهِ المُلْمُلِيِّ المُلْمُلِيِّ المُلْمُلِيِّ اللهِ المُلْمُلِيِّ المُلْمُلِيِّ المُلْمُلِيِّ المُلْمُلِيِّ المُلِمُلِيِّ المُلْمُلِيِّ المُلْمُلِيِّ المُلْمُلِيِّ المُلْمُلِيِيِّ اللهِ المُلْمُلِيِّ اللهِ المُلْمُلِيِّ اللهِ المُلْمُلِيِّ اللهِ اللهِ اللهِ اللهِ اللهِ اللهِ اللهِ اللهِ اللهِ المُلْمُلِيِيِيِّ اللهِ اللهِ اللهِ المُلْمُلِيِيِيِّ الْمُلْمُلِيِيِي اللِ 2216 governing this particular project. We can't vouch whether 2217 the station followed that precisely or not and we would have 2218 2219 to use a station affidavit to do that; that is correct. Now, Exhibits 11, 12 and 13 all begin with a report 2220 to one of Mr. Channell's organizations dated December 22, 2221

2223 Were these prepared in response to a request from Mr. Channell? 2224 Well, as I refresh my memory, on Document 11, there 2225 is a cover letter dated January 15th, from Colleen Vickers, 2226

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Treasurer, it says it is a ''Dear Spitz Channell letter''

NAME: HIR257000 PAGE 9 1 documentation you requested regarding payments received from American Conservation trust 2229 accounts,'' so obviously in that case that was a request 2230 2231 from Mr. Channell. 2232 Q It is not clear to me that that January 15 letter 2233 relates to the prior pages. If you will look at the page 2234 right after the 15th letter, there seems to be a single page 2235 that was the enclosure with that letter, and is it your recollection that the December 22, 1986 materials were not 2236 sent to Mr. Channell some time in January or do you recall 2238 when they were sent? 2239 A I really don't recall. I remember the preparation 2240 of the documents. 2241 Do you know why they were prepared? 2242 In responding to that question, it is probably 2243 relevant to look at Document 12, which in the letter that 2244 was enclosed there dated December 23, 1986, from then-2245 Treasurer Melva Croghan, which indicates there is a letter to Mr. Channell and it says, "Mr. Goodman asked me to write 2246 2247 you regarding the audit we did and sent you, via Federal Express, yesterday. As you can see from the covering 2248 2249 sheet--'' and so on and so forth. 2250 The gist of this letter, as you read it, is that we 2251 were saying they were identifying the discrepancy, which was

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highlighted in the documents you are talking about, 11, 12,

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2253 and 13, totaling approximately \$120,000 to \$125,000, 2254 discrepancies caused by, as you can see in Document No. -- Exhibit No. 9, involved discrepancies where our billing 2255 indicated a project was paid for by American Conservative 2256 2257 Trust and yet upon review and audit, we discovered the \$125,000--let me go back. We discovered that \$125,000 in 2258 discrepancies that stemmed from three different things. 2259 2260 One we have already talked about the Morning of 2261 Peace Project. the other two things identified on here under No. 1, called first project--this had to do with the 2262 two spots, the first two spots we produced with Mr. 2263 Channell's organizations and we discovered upon review that 2264 we had billed the American Conservative Trust, ACT, \$20,000, 2265 which you can see Invoice 4104, but had received in partial 2266 payment at least, \$20,000 from NEPL, and that is a \$20,000 2267 discrepancy there. 2268 2269 We had approximately \$94,000 in discrepancies on Morning of Peace and then under Item 3, that had to do with 2270 the final series of spots we produced prior to the 1986 2271 elections--I think this is dated improperly--which were 2272 2273 entitled ''Back Down'' and ''Election Day'' and we discovered that there was still a balance owed of slightly 2274 2275 less than \$10,000, which yielded a total discrepancy figure 2276 of \$123,627.

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It should be pointed out in our review of documents

NAME: HIR257000 PAGE 93 2278 that all of our billings, all of our invoices, match the 2279 disclaimers on the spots that were produced. 2280 Certainly and most importantly as in the case of 2281 ''Morning of Peace,'' which is why we would have a 2282 discrepancy perhaps with Mr. Channell and his organization 2283 which we might be attesting to, we thought the best way, 2284 maybe the only way and we got the seal of approval from our 2285 accountants in terms of it being proper procedure was to go 2286 through the actual billings make sure the billings matched 2287 the disclaimers on the spots and that was a way to come up with total billings for each of the three separate entities 2288 2289 that were involved here. 2290 Q But it was Mr. Channell's decision as to what the 2291 disclaimer on any spot should be? 2292 n. That is correct. 2293 So you put the American Conservative Trust 2294 disclaimer on ''Morning of Peace'' because he told you to do 2295 that; is that your understanding? 2296 That is not only our understanding, but our 2297 recollection. But in the manner in which you had been operating 2298 2299 with Mr. Channell, if he had directed you to put the National Endowment for the Preservation of Liberty 2301 disclaimar on that spot, you would have followed his

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2302

instructions?

NAME:	HIR257000 1110 ASSIFIED PAGE 94
2303	A Absolutely 1 to Corr 122 to
2304	. Q So, apart from questions about which entity of Mr
2305	Channell's should have been billed, the bottom line, if yo
2306	will, as of July 9, 1987, reflected in Exhibit 9, was that
2307	your agency was owed \$689.74?
2308	. A Yes, after procedural accounting for the
2309	discrepancies we have identified. In other words, Tom, the
2310	bottom line is that we could identify the discrepancies.
2311	every discrepancy in there with the exception of \$689.74.
2312	Or, let me restate that.
2313	. We, after accounting for the discrepancies, it is
2314	our understanding and our assessment that we are stillth
2315	the balance still due is \$689.74.
2316	. Q And when you use the word ''discrepancies,'' am I
2317	correct that by that word you mean amounts due from one
2318	entity reflected in your accounting records as well as
2319	overpayments from another entity reflected in your
2320	accounting records?
2321	. A That is right. That is correct.
2322	. 2 So, after netting the different types of
2323	discrepancies, again the bottom line in July 1987 was that
2324	the group of Mr. Channell's organizations owed you under
2325	\$700?
2326	. A That is correct.
2327	. Q Was your agency paid for the time required to

NAME: HIR257000 PAGE 9.5 2328 prepare Exhibits 11, 12 and 13? 2329 No. Is it unusual for you to have to do this sort of 2330 2331 investigation with regard to billings to a client? 2332 Unprecedented, but appropriate. 2333 What do you mean by that? 0 2334 Given, you know, the news stories about everything 2335 that was going on, it just seemed to be prudent practice for us at that point to really do a thorough review of our 2336 operation as it related to Channell's organizations and make 2337 darn sure that we knew exactly what we were talking about in 2338 2339 terms of our participation. 2340 Q Mr. Goodman, this morning we were talking about the 2341 different types of television tape, one-inch tape, two-inch 2342 tape, and three-quarter-and-a-half-inch tapes. 2343 Yes. 2344 Did you from time to time provide copies of your 2345 advertisements to Mr. Channell or other individuals in his 2346 organization? 2347 Yes, we did. 2348 Which size tape did you provide? 2349 Both three-quarter and half-inch tape, but I think

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Were there any occasions when you provided one- or

more often than not it was half-inch tape.

2350

2351

2352

two-inch tapes?

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. A

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reason why we would provide that.

2355 . Q What does the word ''dub'' mean in the industry?

2356 . A Just another word for copy, copy of a spot or a

2357 number of spots. Dub is part of the dubbing process and to

2358 make copies of a spot for broadcast or for personal or

Not that I can recall and I wouldn't know the

2359 private use from the master, we make what is called

generally a dubbing master and from that dubbing master we assert we assert and others.

2362 . 9 Is that done in-house at your agency or do you 2363 subcontract that?

عبر المحاصدين . A That is something we do wutside the studio we use. 2365 We have two or three in the area. We use their facilities.

2366 . 2 Is a copy of a tape normally made for each station 2367 that is running the tape?

2368 . A That is correct.

2374

2369 . Q And those are destroyed after the tapes are run or 2370 discarded?

2371 . A Generally that is station practice at some point.

2372 . MR. FRYNAM: I ask the reporter to mark as Goodman 2373 Deposition Exhibit 14 for identification--

. MR. SCOTT: Just a second.

2375 . For the record, if you don't have those station
2376 affidavits, and I believe we did produce them, my memory is
2377 that they were produced in a section, but if for some reason

	HMH ANNESCH
NAME:	HIR257000 UNULASSITULE PAGE 97
2378	they are not included in the documents and are necessary for
2379	the investigation, we will be glad to provide them.
2380	. Let us know and we will be glad to cooperate.
2381	. MR. FRYMAN: Thank you.
2382	. I would ask the reporter to mark, as I indicated,
2383	as Goodman Deposition Exhibit 14 for identification a
2384	memorandum dated 4-19-85, which appears to be signed Adam
2385	Goodman, ''To Dan, Spitz & Crew'' and what appears to be an
2386	attachment referred to in the memorandum.
2387	. Let me again state for the record that this
2388	document we have selected from a group of documents produced
2389	by counsel for another entity, Mr. Scott. I do not recall
2390	seeing this in the documents you have produced, though it is
2391	possible that it is in there.
2392	. I just want to note for the record this particular
2393	copy came from another entity.
2394	. [Exhibit No. 14 was marked for identification.]
2395	. BY MR. FRYMAK:
2396	. Q Mr. Goodman, if you would look at Exhibit 14 and
2397	tell me if you recognize that document?
2398	1 T think T recall this, but not in great detail.

2398 . A I think I recall this, but not in great detail.

2399 . Q Does that appear to be your signature at the

2400 bottom?

2401 . A Oh, absolutely. It is valid.

2402 . Q If you would look at the pages after the first page

UNCLASSIFIED 98 2403 and tell me if that appears to be the attachment to the 2404 memorandum? 2405 Yes. Did this memorandum relate to one of your initial 2406 programs for Mr. Channell? 2407 I believe it did. It is dated April 19, 1985, and 2408 2409 the first series of spots we aired for Mr. Channell's organizations, I believe, went on the air in April of 1985. 2410 2411 Let me just review this. 2412 It related to that, but in comparison with Deposition Exhibit No. 8, it is somewhat constructive -- I see 2413 this matches up. 2414 2415 I am sorry, where were we on the question? My question was whether the summary sheet referred 2416 0 2417 to in your cover memo, which is the third sheet in Exhibit 2418 14, relates to the initial round of advertisements for Mr. Channell and I believe you have been comparing that--2419 With my immediate chronology on Exhibit 8. 2420 2421

Which is the second page of Exhibit 8.

2422

2427

It seems to be one and the same thing. A Yes.

Then in your cover memo in Exhibit 14 you also Q 2423 refer to a summary of the research used to define the TV 2424 2425 markets selected to reach the 21 targeted Congressmen, and there are additional pages as a part of Exhibit 14, which is 2426

that summary referred to in your memorandum; is that

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2428 correct?

2429

- . A That is correct, yes.
- 2430 . Q Your phrase in the memorandum, "reach the 21
- 2431 targeted Congressmen (per Rich Miller). **
- 2432 . What did you mean by the phrase ''targeted
- 2433 Congressmen''?
- 2434 . A I wish I knew. I am trying to recall. Obviously
- 2435 this is a little over two years old. Just reading what I
- 2436 wrote here in the meno, I am talk about -- my memo that says
- $-4a/K_1aq$ 2437 ''research used to define the TV markets selected to reach
- 2438 the 21 targeted Congressmen (per Rich Miller)," I assume I
- 2439 got those 21 names from Rich Miller. That seems to be what
- 2440 my memo says here, but I can't recall in this particular
- 2441 project, which was the very first one we did, exactly the
- 2442 situation surrounding that.
- 2443 Q Well, is ''targeted Congressmen'' a phrase that you are familiar with? Is that a phrase that has meaning in
- 2445 your industry?
- 2446 . A Well, in relation to this it would suggest, it
- 2447 would mean to us that these are Congressmen who we thought
- 2448 or--when I say we, Mr. Channell and his associates thought
- 2449 would be persuadable or most affected by a campaign of
- 2450 public education and advocacy on behalf of the Micaraguan
- 2451 resistance. But I am trying to search my memory banks to
- 2452 remember this particular situation.

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24531 Obviously, Tom, this is very early on in our 2454 relationship. I looked at the supporting documents behind this memo, the last 8, 9, 10 pages, and I thought when I 2456 first looked at it, it might be the case that I had been given names of people and, by the way, for the record, you 2457 can see they are Republicans as well as Democrats. 2459 went in and researched what TV markets--I should say this is my assumption, that I went in and researched which TV 2460 markets would be needed to cover those particular 2462 Congressmen and Congresswomen. Well, if you would look at the last page of Exhibit 2463 2464 14, Mr. Goodman, there is a note which says ''All 2465l Congressmen listed in CAPS above are among the 21 2466 Representatives targeted by Rich Miller." 2467 A I wish you would have told me that in the beginning. Then that seems to jibe with everything I said 2468 2469 in the memo. I guess I got the names from Rich Miller. Is it your recollection that you had any role in 2471 the targeting of the Congressmen or is that solely Mr. 2472 Miller? 2473 Solely Mr. Miller and/or Mr. Channell and his associates. 2474 2475 You never got information from Mr. Miller? 2476 Absolutely neither I nor anyone in the agency were 2477 ever participants in the decision of selection, now referred

2478| to as ''targeted Congressmen,'' for this or any other project in the campaign or involved with Mr. Channell. 2479 I provided research along the way much of it 2480 unsolicited for the basis of planning and budgeting and not 2481 for the purpose of telling Mr. Channell, Mr. Miller and 2482 2483 others who to target and how. . Q So the chronology, as I understand your answer with 2484 respect to this particular phase of the campaign, is that 2485 2486 Mr. Miller gave you a list of 21 targeted Representatives. 2487 Yes. . Q On the basis of that list, you did some research 2488 2489 with respect to purchase media time, which led to the 2490 memorandum which is an attachment and is a part of Exhibit 2491 14? 2492 A That is right. 2493 Q Is that correct? . A That is correct. 2494 2495 But your sole role was an investigation as to the 2496 best and most effective media purchases that could be arranged in connection with the Congressmen who had been 2497 2498 targeted by someone else? . A I am glad you brought that point up, too, because 2499 2500 as you will notice in the 22 markets profiled here reflecting my research, in capital letters are listed the 2502 names of Members of Congress who obviously were identified

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2503	by Mr. Miller as one of the 21 targets here, but in addition
2504	to that, I also listed the other names of Members of
2505	Congress who would be affected by such advertising.
2506	When you are looking at making strategic choices
2507	between doing something, say we had a number of targets in
2508	New York City, the most expensive media market in the
2509	country and might reach three or four persuadable
2510	Congressmen as opposed to using five other markets outside
2511	of New York City for the same price where you might reach 10
2512	to 15 peoplethat is where the research comes into play.
2513	. I list the given targets and everybody in the
2514	congressional district was covered in some measure by
2515	television coming out of the designated television market.
2516	. Q Now, the phrase or the letters G.R.P. appear
2517	frequently in the attachment to this memorandum. What does
2518	G.R.P. stand for?
2519	. A Great Reagan Presidencyno, it stands for Gross
2520	Rating Points.
2521	Q What does that mean?
2522	A It is a standard measurement in the industry to
2523	measure audience sizes and theoretically when you achieve
2524	ENDHOUR JULY
2525	
2526	In reality, you will reach 50 percent of the people
2527	3 times. You won't greath 25 percent of the people, once, but

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2528	theoretically that means on 100 rating points, you reach
2529	everybody once.
2530	. The reason we use that is to give the clients a
2531	standard measure of planning campaigns. Then you get to the
2532	central issue in the ad industry, how much is enough, on
2533	which there will probably be an internal debate.
2534	. Q So to achieve more rating points in any particular
2535	market, you just buy more time?
2536	. A Exactly.
2537	. MR. FRYMAN: I ask the reporter to mark as Goodman
2538	Deposition Exhibit 15 for identification a document produced
2539	by counsel for the Goodman Agency with a cover page reading
2540	''American Conservative Trust, Freedom Fighters TV, National
2541	Spot Program, 12/9/85."
2542	. {Exhibit No. 15 was marked for identification.]
2543	. BY MR. FRYMAX:
2544	. Q Do you recognize Exhibit 15, Mr. Goodman?
2545	. A Yes, I do.
2546	. 2 What is that?
2547	. A It is the same kind of document as one that we have
2548	been talking about for the last hour or two. It was
2549	prepared far initially the American Conservative Trust. I
2550	think that eventually became the Mational Endowment for the
2551	Preservation of Liberty.
2552	. May I take a moment to read this?

UNCLASSIFIED PAGE NAME: HIR257000 2553 日い かびら This was again a budgeting planning document that I 2554 prepared to give Mr. Channell and others interested some 2555 sense of what it was going to cost to do a national ad 2557 program on behalf of the freedom fighters and in this case on the last page of my memo. instructed to read the last 2559 paragraph to discern exactly what we were led to believe that was all about. 2560 2561 It says, ''As discussed, this national spot program 2562 is a pioneer attempt to effectively influence public opinion as prelude to a critical congressional debate and vote. 2563 2564 successful, our approach will become the definitive 2565 blueprint for all interest groups whose goals and objectives are directly affected by Congress.'' 2566 2567 There was no question in our minds that this 2568 project related directly to a planned and future congressional vote on contra aid. I think everything we did 2569 2570 as prelude to that project and throughout the entire project THE MY CALL leading up to the votes in spring, and eventually I think it was as late as June of 1986, were with that in mind. 2572 2573 I differentiate that from what we were doing in the beginning, 1985, our first such with the project was again a BLUSH 2575 public education approach, even though there was a vote. obviously also in 1985, and there was targeting that went on 2576 with that also. 2577

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2578 We had two objectives. The first, we learned about public education. The second objective was to influence 2579 public opinion as a way of exerting some type of influence 2580 2581 over Members of Congress who had the final say over whether 2582 the contras would continue to receive funding or not. . Q In this paragraph, you have just referred to where 2583 you state ''this is a pioneer attempt.'' Did you helieve 258u 2585 you were breaking new ground in this program, that this was 2586 something that had never been done before? . A It was something that I felt--we felt we had never 2587 2588 been done in this fashion, where pay television became the 2589 leading lobbyist for a public interest group or for a 2590l particular point of view. 2591 We were not just talking about a smattering of television, we are talking about a major investment in pay 2592 2593 television as the driving force behind an effort to 2594 influence public and eventually congressional opinion on a 2595 particular matter before the Congress. 2596 I might have been wrong in making that assumption. 2597 In my experience, I can't recall a group that has made this 2598 kind of investment in television as the major weapon in

their arsenal of influence.

2 A form of this program was implemented in 1986; is that correct?

2602 . A That is correct.

2599

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NAME: HIR257000 PAGE 106 2603 correct that most of the television 2604 advertisements in 1986 in connection with this program were sponsored by the National Endowment for the Preservation of 2605 2606 Liberty? 2607 That is correct. 2608 Did you have any discussions or were you aware of any discussions with Mr. Channell or any other 2610 representatives of his organization as to why NEPL was the sponsor of the advertisements? 2611 I don't recall any conversations or any knowledge or anything of that natura. 2613 2614 During 1985 or 1986, were you aware that MEPL was a 2615 501 (c)(3) organization? 2616 Жo. I am still not sure what that is. 2617 Q Were you aware that contributors to MEPL were taking tax deductions for their contributions? 2619 No. Going back to Exhibit 15, the second paragraph in ٥ 2620 your December 9, 1985 memorandum, you state that ''Our 2622 strategy was to target those Congressmen who, by virtue of their record on Micaragua, seemingly have yet to make up 2623

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targeting in connection with this program?

Absolutely not.

Was the Goodman Agency the entity doing the

their mind. " *

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26281 When you say ''our strategy was to target,'' to what are you referring, by the phrase ''our strategy?'' And 2629 2630 I will also in connection with this question refer you to 2631 the next paragraph where you say that ''We''--we is in 2632 quotes--''drafted our own listing of these wavering 2633 Congressmen. ' ' 2634 Yes. It was probably an unfortunate choice of 2635 words to use ''our'' in both cases. Obviously in the second 2636 case, looking at key votes, that was my way of 2637 distinguishing this as our effort and not anything connected 2638 with Mr. Channell or his intentions about the ultimate 2639 targeting. 2640 I should have just changed the word in the first 2641 situation from ''our'' to--maybe Mr. Channell's strategy 2642 would probably be more appropriate. 2643 0 Well, just to get the gist of my question, if you 2644 look on the next page, the next paragraph says ''after we 2645 determined the 'honorees'''--who determined the ''honorees?'' 2646

That was the agency.

2647 Was that you, Adam Goodman, and the agency?

2648 Absolutely without consultation from Mr. Channell

or anybody else. I think I should point out that my 2649

2650 recollection was that this document that we are talking

2651 about here was requested by Mr. Channell and/or his

2652 associates so that they could, really for use for their

purposes, which you will make the assumption was fund-2654 raising purposes with potential contributors to their organizations which is why maybe in some cases my wording is 2655 a little unclear about ''our'' versus ''we.'' 2656 2657 But as I recall, that was drafted and reproduced in 2658 some numbers for use by Mr. Channell and his associates in explaining the program for a possible way of presenting this 2659 2660 program to contributors and actually raising money. To go back and make sure that I understand your 2661 Q answers in the second paragraph when it talks about, ''Our 2662 strategy was to target Congressmen who, by virtue of their 2664 record on Micaragua, seemingly have yet to make up their mind''--in that paragraph, am I correct in understanding your 2665 2666 answer that that was a strategy that had been set by Mr. 2667 Channell? 2668 A Yes. 2669 Then the implementation of that strategy as 2670 described in the second paragraph was an implementation that 2671 was done by the Goodman Agency pursuant to the techniques that are described in the second paragraph; is that correct? I am scrry, the second paragraph --2673 2674 The third paragraph beginning "'we drafted our own Q 2675 listing." 2676 Right. This was again an educated guess on how

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this type of program would be implemented and I did it, I

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	The state of the s
2679	wanted to have a sense of the cost to do this program; and
2680	secondly, I wanted to have a sense of what it would cost and
2681	give my client, Mr. Channell, an idea of the scope of the
2682	program. In other words, how many markets, how many
2683	Congressmen would be affected, so on and so forth.
2684	. It was my way of being very thorough as a media
2685	planner and to provide Mr. Channell with something else at
2686	the same time that would document the program he was trying
2687	to do here. This was obviously a very expensive program.
2688	. I think, as this would reveal, we are talking about
2689	upwards of \$730,000 if it were fully implemented in all 49
2690	markets that I listed in this program at 350 gross rating
2691	points.
2692	RPTS STEIN
2693	DCMM DANIELS
2694	. 2 And that number you are reading from the page of
2695	this exhibit which has the Stamp No. 002569; is that
2696	correct?
2697	. A That is right.
2698	. 2 Now, in this exhibit, there is a section toward the
2699	back beginning with the Stamp No. 002598.
2700	. A I should clarify that further, that was for the
2701	monthly budgets. I think the whole program that we are
2700	1

NAME: HIR257000 PAGE 110 2703 reflected on page 002570 with the stamp 2704 number? 2705 A That is right. 2706 Turning to the page with the Stamp No. 002598, which reads ''Key Congressional Votes Micaraguan 'Freedom 2707 2708 Fighters, ''' and the pages following that heading, was that 2709 section of the report prepared by your agency? 2710 Yes. 2711 Q Did you prepare that? I prepared that. That was part of the research I 2713 was alluding to earlier where I -- In this case, I included as something that was new, beyond just profiling the votes 2714 2715 various Congressmen had on the important issues affecting 2716 contra aid, you see the McDade amendment, the Michel 2717 amendment.

2718 These are kinds of litmus tests, my perception of 2719 what the litmus test might be.

And that section at the back is the source data that you used for applying the criteria set forth on pages 2722 002566 and 002567?

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That is correct. 2724 MR. FRYMAN: I ask the reporter to mark as Goodman 2725 Deposition Exhibit 16 for identification a letter dated 2726 December 12, 1985 from Adam Goodman to Fred Sacher; and a 2727 memorandum, apparently enclosed with that letter, dated

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HAME:	HIR257000 UNCLASSIFIED PAGE 111
2728	December 12, 1985 headed ''Freedom Fighters TV'' National
2729	Spot Program. Three pages of the memorandum are included in
2730	this Exhibit.
2731	. [Exhibit No. 16 was marked for identification.]
2732	. BY MR. FRYMAN:
2733	. Q Mr. Goodman, I show you Exhibit 16 and ask you if
2734	you recognize that document?
2735	. A I sure do.
2736	. Q Am I correct that the enclosure was the same as
2737	Exhibit 15 except that it was dated December 12 and it was
2738	directed to Fred Sacher instead of Spitz Channell and David
2739	Conrad?
2740	. A Yes. That is correct.
2741	. Q Was that done at Mr. Channell's request?
2742	. A The letter to Mr. Sacher?
2743	. Q And sending him the enclosure in that revised
2744	format?
2745	. À Yes.
2746	. Maybe a word of explanation. Fred Sacher was
2747	described to us as one of Mr. Channell's biggest
2748	contributors. He was from California, San Juan Capitrano,
2749	and he was apparently a very dedicated benefactor of Mr.
2750	'Channell's and dedicated to the cause as he saw the cause of
2751	131 . 1
2752	. Mr. Sacher, we understand, had a lot of money to Confributed

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2753 Mr. Channell at that point and Mr. Sacher, according to Mr. 2754 Channell, is the type of person who wanted to have hands' on 2755 involvement and be kept abreast of some of the things we 2756 were doing with the television. He had keen interest in that, so on a number of 2757 2758 occasions we would communicate directly with Mr. Sacher; sometimes Bob Lipman would talk to him, sometimes I would on 2759 2760 the telephone. He would make suggestions on scripts and 2761 copy being prepared for Mr. Channell.

So that explains why we have a letter going to Mr. 2763 Sacher in the first place.

2764 Q Now, in the letter which is part of Exhibit 16, in 2765 the first paragraph you refer to our first meeting in the 2766 Indian War Treaty Room within the Old Executive Office 2767 Building a few months ago.

2768 What was that meeting, as you recall?

2769 That was the one we had talked about earlier where 2770 Colonel North, Pat Buchanan, and a person whose name I can't 2771 remember who headed up the Office of Public Liaison, were 2772 present and spoke at various points.

2773 After that, we had a reception of sorts at the May 2774 Adams Hotel.

2775 Q Do you recall the approximate date of that?

A We went to two functions of Mr. Channell's. I 2777 think one was in December of 1985 and one was in January of

PAGE

1986. That is our recollection. We tried to find the exact 2779 dates in our records and couldn't seem to locate them. This letter is dated December 12, 1985. In the 2780 2781 first paragraph, you refer to a meeting a few months ago which I take it--2782 2783 Then I was mistaken. That was the first meeting of 2784 Spitz Channell's contractors where again Pat Buchanan, 2785 Oliver North, and the head of the Office of Public Liaison spoke, because we were only in the War Treaty Room once in 2786 2787 our lives and that was the time. 2788 What had your meeting with Mr. Sacher, consisted of at that point? 2789 2790 I can't recall specifically, Tom, but I am sure we met Fred Sacher at that particular meeting in the Indian War 2792 Treaty Room and the reception that followed. I can't 2793 imagine any other time we would have had the opportunity to 2794 meet with Fred. 2795 But you recall no specific discussion with Mr. 2796 Sacher at that meeting? 2797 No, but it wouldn't surprise me if we talked to him perhaps over cocktails at the May Adams. In the second paragraph, you say ''Spitz Channell 2799 and his associates met with top officials in the White House 2800 2801 about this project.''

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To whom are you referring when you say ''top

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2803 officials in the White House?'

2804 . A We were told that Spitz Channell and his associates
2805 were meeting with people in the White House. I can't recall
2806 specifically who it was. It very well could have been and
2807 probably certainly was Colonel North and I would--I can't
2808 recall specifically, but I think it also included top
2809 officials under the President; perhaps the President.

2810 . Q Who told you this?

. A This is something we picked up just in the course,

2812 I think, of conversations with Spitz Channell and Dan Conrad 2813 and others.

. Q Was Pat Buchanan one of the officials?

. A He may have been. I can't recall.

2816 . Q Did you draft this letter?

. A Yes, I did.

2818 . 2 Did you review it with Mr. Channell before you sent

2819 it?

2814

2815

2817

2820 . A I can't recall. I know our practice was when he
2821 would request a letter be written, I would always send him a

2822 copy to make sure it was okay and I assume I did this in

2823 this case, too, or read him a copy over the phone.

2824 . Q But at this point, you do not recall a specific 2825 discussion where someone identified for you the top

2826 officials in the White House that you are referring to?

2827 . A Oh, no, I don't.

2828 Continuing on the first page of that letter after Q 2829 the raragraph, ''Let me bring you up to date.'' 2830 There are three paragraphs beginning, ''First, as you recall, " and going down through the paragraph that 2831 2832 ends, ''Freedom Fighters in late April or early May.'' 2833 Yes. 2834 In these three paragraphs, you appear to state a Q 2835 philosophy behind this program or an approach of this 2836 program. 2837 Let me withdraw that question and I will rephrase 2838 it. 2839 In the first page of this letter, there are three 2840 paragraphs beginning, ''First, as you recall, Bob Goodman theorized--'' and continuing almost to the end of the page. 2841 2842 In those paragraphs, are you summarizing how you 2843 understood this pioneer attempt, to use the phrase in your other memorandum, would operate? 2844 That is correct. See, in this whole thing, Tom, 2845 2846 Spitz Channell looked -- he seemed -- he and his associates seemed to know very little about television. 2847 In fact, they were very uninformed about how to use 2848 2849 it and how it interfaced with their objectives in their নিটোলে স্পাৰ্থক or projects so they <u>rely</u> upon us as the television 2850 2851 experts and they told us, you know, in broad outlines what



they wanted to accomplish.

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One, to operate that creatively 2853 Our role was 2854 and ultimately leading to the production of television spots; and second was to--from a time perspective, Tom--give 2855 them some sense of what it would cost and how they would 2856 2857 come together or whatever. 2858 But really in the mechanical point of view in terms of the time by then any kind of strategic interface with Mr. 2859 2860 Channell and all of his associates and with later organizations were planning -- so I could write a letter like 2861 this knowing basically what we were trying to do here. 2862 2863 What we were trying to do on this project was very 2864 clear, we were trying ultimately to influence public opinion to exert pressure in influencing congressional opinion. 2865 2866 That is all that this letter and I think others that were 2867 written by me, many requested by Mr. Channell, probably almost all, if not all, requested by Mr. Channell, were all 2868

about.

When I used the word ''our'' as opposed to the program, it was our program, we were the television arm of Mr. Channell's program and inasmuch as we were led to believe or told that these memos or these pieces of research were used by Mr. Channell among other things for fundraising with potential benefactors, I guess I started to use the word ''our'' to imply that we weren't just some fly-by-night production outfit that was given their project and had



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2878 no sense of where we were going with it.

2879 But beyond us being television experts, we were not
2880 What we normally are in campaigns—to some degree, we were,
2881 but in most campaigns, we are media consultants.

2882 . Our job is multifaceted, doing everything from TO Dodge producing spots and acting as psychoanalysts for the

2884 candidate.

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2885 In this case, as pointed out in a memo I wrote that 2886 you have a copy of, I think in March or April 1986, when I 2887 was requested by Mr. Conrad to critique the program to date, 2888 the program being the Central American Freedom Fighters 2889 Project -- I want to make the clear point and statement that we 2890 to do with the internal strategic planning of Anything we did that ultimately related to strategy 2891 tnis. was simply from the standpoint of budgeting and planning and 2893 not from any kind of coercive or consultative activity with 2894 Mr. Channell or others who were obviously making the calls 2895 on all these buys.

on all these buys.

2896

I don't want to get hung up on semantics on the

2897

memo. I want you to know that was our intent and was the

2898 way we approached the project.

. Q On Exhibit 16, the paragraph beginning at the end of the first page states that to be effective and remain in sync with White House lobbying efforts, we need to start production on our first television spots in January.'

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2905	pushing for this perhaps at the expense of every other
2906	project on the Administration menu.
2907	. The President is not only a die-hard supporter of
2908	the contras politically, but personally. Anyone seeing him
2909	making speeches on this does not see a President reading
2910	copy from a prepared text. He sees somebody who firmly
2911	believes in the case.
2912	. So I don't think it comes as a surprise to anyone,
2913	certainly inside Washington, that the President was lobbying
2914	hard for this.
2915	. I thought everything we were doing would jibe

It was no secret to anybody the White House was

2916 nicely with what the President and other groups were doing
2917 to promote the cause.
2918 . I know what your question is. The answer
2919 specifically is we had--there was no connection that we knew

of between the White House lobbying effort and our television commercials.

2922 . We were aware that the White House was pushing like 2923 crazy for this and that in a small way we were helping the 2924 cause.

2925 . Q Did you have any specific White House contact in 2926 connection with this program?

. A None. Our contact in all of this was Spitz

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2928 Channell and his group.

2929 . Q When you refer to being in sync with the White

2930 House lobbying efforts, were you aware of any specific White

2931 House lobbying schedule?

2932 . A Not in particular. It was clear--from reading the

2933 papers, it was clear they were pushing hard on this thing.

. MR. FRYMAN: I ask the reporter to mark as Goodman

2935 Deposition Exhibit 17 for identification a letter from Mr.

2936 Goodman to Spitz Channell dated March 31, 1986.

2937 . [Exhibit No. 17 was marked for identification.]

2938 . BY MR. FRYMAM:

2939 . Q Mr. Goodman, would you look at Exhibit 17 and tell

2940 me if you recognize that document?

2941 . A I do.

2942 . Q And that is a letter you sent to Mr. Channell?

2943 . A It is.

2952

2944 . Q Did he ask for this letter, or to phrase the

2945 question more broadly, why did you send him this letter?

2946 . A This letter, Tom, was a summary to date of the

2947 freedom fighters' television program. It may have been

2948 requested by Mr. Channell. I think it was.

2949 . I was asked the same question by Hal Bruno, It was

2950 a good question. I can't imagine writing a letter like this

2951 unless it were requested by Mr. Channell.

The letter summarizes where we were and where we

NAME: 2953	HIR257000 PAGE 120 might be going.
2954	. Q Did you draft this letter?
2955	. A I did.
2956	. Q Did you have any understanding as to what use was
2957	to be made of this letter?
2958	. A I can't recall, but I wouldn't be surprised if at
2959	some point Mr. Channell didn't take this and reproduce it
2960	for use in fund-raising.
2961	. $\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \$
2962	letter, and by that, why you sent it in March?
2963	. A When I did?
2964	. Q Yes.
2965	. A I am just reviewing the chronology. I prepared the
2966	document, Exhibit 8the program, the first part of the
2967	program, the first flight referred to in that document, was
2968	flight 5, from March 3rd to May 1st.
2969	. In other words, you ran television off and on in
2970	selected markets throughout the course of that period and we
2971	came back after the vote failed the first time and ran more
2972	advertising on flight 6, which ran from the 17th of June to $m_{\rm C} \Delta^2$
2973	the 27th, sponsored by a different organization, Sentinel.
2974	. This was written obviously in the middle of the
2975	
2976	what it was about, but it is very clearly a summary of where
2977	we are to date end also an encouragement to Mr. Channell and

2978 his supporters to keep up the good work, to stay behind this 2979 paid television effort. See, in some sense, Tom, a way of explaining this, 2980 Mr. Channell seemed to have a lot of different ways of 2981 2982 skinning this cat called supporting the contras. upon talevision, I think, relatively late in the process and 2983 2984 it was almost incumbent upon us as vendors and suppliers of 2985 TV to him to tell our program. It was like he had a laundry list of things he 2986 could do one of which was television and we were able to 2987 2988 sell contractors on the value of using television or Mr. Channell was able to, and obviously he would use our 2989 services and it would accrue to our benefit and this is part 2990 2991 of that idea. Earlier we talked about Exhibit 15, which was a 2992 self-described tome on the upcoming program looking 2993 prospectively toward a program that was going to be 2994 implemented over the next few months. 2995 Is it correct to describe Exhibit 17 as a 2996 description of a program that has already occurred? 2997

2998 . A That has occurred--

2999 . Q Or is in the process of occurring--

3000 . A Yes.

3001 . Q And a substantial part of which has already been

completed?

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3003 . A That is correct.

3004 . Q Now, on the second page of Exhibit 17, you refer to

3005 'targeted markets, covering the home districts of nearly

3006 thirty Congressmen experts considered to be at the core of

3007 the key 'swing vote' on contra funding.''

3008 . Were you the expert who targeted those 30

3009 Congressmen?

3010 . A No. That was a very eloquent way of saying--where

3011 are we, on the last page?

3012 . On the second page.

3013 . A Page 2--

3014 . MR. SCOTT: Make sure, if you want to retract your

3015 last response, read that.

3016 . THE WITNESS: Yes. The experts being alluded to

3017 there were essentially Mr. Channell and his associates.

3018 . BY MR. FRYMAN:

3019 . Q To make sure my understanding of this is correct

3020 going back to Exhibit 15, which is the document dated

3021 December 9, which is looking prospectively ahead toward the

3022 program--

3023 . A Yes.

3024 . Q As I understand the criteria described in that

3025 December 9, 1995 memorandum, those were to be criteria which

3026 you applied in selecting honorees of your program?

3027 . A Which I defined as the Robert Goodman Agency with



the purpose of providing a budgeting and planning tool for

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3028

3039

3040

that process.

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3029 us and Mr. Channell. 3030 Does Exhibit 17 indicate that the actual targeting 3031 of the markets was not done by the Robert Goodman Agency? 3032 That is correct. 3033 Why the change? 3034 There was no change. As I have said, and to be 3035 very clear about this, I in this document back in December 3036 was selecting markets simply for the purposes of budgeting 3037 and planning, not because I had any influence over Mr. 3038 Channell's associates, over the actual targets to be

3041 . I was not a part of that process. No one in the 3042 agency was a part of that process then or ever.

selected, not because I had any interest in being a part of

3044 . Q I must apologize, Mr. Goodman. I am confused and 3044 let me try to clarify it for the record on this in case 3045 somebody else is confused who might be reading it.

Going back to Exhibit 15, beginning with the third paragraph, you say that you drafted, or to actually quote the third paragraph, it states, "We drafted our own listing of these wavering Congressmen by looking at three key votes on the Freedom Fighters this year."

3051 . And then you go on to discuss decisive votes and 3052 qualifiers.

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It was my understanding from your prior answer that 30531 you and the Robert Goodman Agency is the person and entity 3054 that did the listing of the wavering Congressmen described 3055 3056 in that paragraph. 3057 Described with those as qualifiers, yes. 3058 And that was the process by which at the time of the December 91, 1986 memorandum, Congressmen were to be 3059 3060 targeted as described in the second paragraph in that 3061 memorandum? Be careful in the way you are wording this because 3062 I think you are leading to a contribution that wasn't there. Conclusion 3063 This was a planning document, and if you look at the date 3064 on this, this is December 9, 1985, almost a full three 3065 months prior to the first hitting the air in March 1986, 3066 three months in a relationship with the Channell 3067 organizations where we never--we described this as a frenetic 3068 relationship, but there were a lot of changes that would 3069 3070 happen in the course of our relationship over such a large 3071 period of time of three months. I did this December 9, 1985 document only for our 3072 own internal purposes, the purposes of the Robert Goodman 3073 Agency in providing for ourselves and Mr. Channell a 3074 planning and budgeting document. 3075

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When I use the words ''we drafted our own

listing,'' the qualifier is were. This is my language based

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30781 on an educated research analysis on the possible cost of 3079 putting on a program of this magnitude. 3080 It had nothing to do -- I can't attest to what Mr. 3081 Channell and Mr. Miller and others finally did or did not do in terms of selections, but we had no direct knowledge or 3082 input into the final selection or even tentative selection. 3084 more importantly, of targets of this advertising. 3085 Well, at the moment, Mr. Goodman, focusing on the 3086 December 9, 1985 memorandum, which is Exhibit 15, on the 3087 second page of the memorandum, you state, ''After we determined the 'honorees' in each of these three categories, 3088 3089 we researched and compiled a listing of the media markets which cover their respective districts. " 3090 ''We,'' in this case, is the same as ''our'' on the 3091 3092 first page. It is the Robert Goodman Agency doing a media 3093 study for the purposes of planning and budgeting. 3094 And it is the Robert Goodman Agency that was 3095 determining the honorees? 3096 Δ That is correct. 3097 That was by applying the criteria set forth in the 3098 preceding paragraph? 3099 Established by me with no input from anybody, just A 3100 an educated way of trying to put together a plan, a 3101 blueprint to give us a sense of where we are going.

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3102

Q

When you say in that paragraph, "'we determined the

'honorees,''' was that not the process of targeting those 3103 Congressmen who, by virtue of their record on Nicaragua, 3104 seemingly have yet to make up their mind on the extent of 3105 their commitment to that part of the world that you 3106 3107 described in the second paragraph of that December 9 3108 memorandum? 3109 That is correct. That is true, yes. 3110 MR. SCOTT: Before we go any further with this, I 3111 think everybody is getting confused. If we could go off the 3112 record. MR. FRYMAN: Fine. 3113 3114 Off the record. 3115 [Discussion off the record.] 3116 MR. FRYMAN: Back on the record. BY MR. FRYMAN: 3117 3118 Mr. Goodman, in your March 31, 1986 letter to Mr. Channell, which is Exhibit 17, on the second page where you 3119 refer to 'these targeted markets, covering the home 3120 3121 districts of nearly thirty Congressmen, ' What is the 3122 relationship between the targeted markets referred to in 3123 your March 31 letter and the list of wavering Congressmen 3124 which you describe in your December 9, 1985 memorandum? 3125 Tom, without reviewing the record, I have no idea what the correlation is because I know that the ultimate 3126

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selection of targets, so to speak, was something that Mr.

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Channell and Mr. Miller and others did and unless I compared 3129 the document, Exhibit 15, with the actual time buy that was 3130 placed starting on March 3rd and running through--actually 3131 running through also the Sentinel part of the campaign in 3132 June of 1986, I couldn't really respond to that question without that review. 3133 3134 In other words, I can't recall offhand. I don't 3135 know offhand what correlations there are. 3136 Q Again to try to clarify this, in your March 31 3137 letter, you refer to ''targeted markets covering the home 3138 districts of nearly thirty Congressmen experts considered to 3139 be at the core of the key 'swing vote' on contra funding.'' 3140 Who do you understand selected those targeted 3141 markets? 3142 Well, I know that the marching orders for the 3143 selections came from Mr. Channell and others associated with 3144 him. The modus operandi with this and other projects when 3145 they were talking about situations where they were targets 3146 involved was I or someone in the agency, but normally I 3147 would receive a telephone call normally from Spitz Channell 3148 who would say, "'Okay, Adam, I want you to do these spots so 3149 they affect these Congressmen, '' and he would give me a list 3150 of Congrassmen. 3151 Sometimes he called back and changed his mind, took

certain Congressmen off and added others, sometimes he

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3152

PAGE 31531 canceled the program outright, but Spitz Channell was the one and others who we came to understand were associated 3154 3155 with him who would call and give us what I call the marching orders on the actual selections of the targets. 3156 Going further in your March 31 letter, Mr. Goodman, 3157 3158 on pages 2 and 3 you list seven commercials, ''Terrorist Influence, '' ''Refugees, '' ''Facts, '' ''Helicopters, '' 3159 ''They are Us,'' ''Tip's Shame,'' and ''Letter.'' And you 3160

3160 ''They are Us,'' 'Tip's Shame,' and 'Letter.' And you all indicate that these were seven commercials that were

3162 produced and designed to dramatize facts and information 3163 having a direct bearing on the whole issue.

If you would look again at Exhibit 3, which is the list of completed commercials, ''Tip*s:Shame'' is not on that list, and my question is, why is it not?

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3167 RPTS THOMAS

3168 DCMN PARKER

3169 [4:00 p.m.]

3170 . BY MR. FRYMAN:

3171 . Q Also if you would look at Exhibit 8, and your
3172 listing of spots used in Flight Five, which I believe is the

3173 flight that covers the period that you are describing in 3174 this letter, ''Tip's Shame'' is not listed in that flight,

3175 as well.

3179

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3185

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3176 . I will broaden my question to ask you why it is not
3177 included in Flight Five set forth in Exhibit 8, as well as
3178 in your listing that is Exhibit 3.

an speculate if that is appropriate. One possible reason is perhaps that we never ran the spot on television. I don't recall that was reflected in our station invoice or not. I remember there was a real debate whether to do a spot. It was a 10-second spot, where then Speaker of the House, Tip O'Neill had said something about it being a disaster, talking of something he was saying about the Nicaragua contras, he said something to the effect in part it would be a disaster and shame for this country to support Nicaragua resistance, and Mr. Channel thought that was marvelous in rallying the troops, and we produced a 10-second sheet to do that.

apot

ng aired it. Why it wasn't on 3193 the list of final production--it should have been. 3194 there were things on here that didn't run other than that. 3195 I know it was renamed, ''Flag''. That is why. The spot 3196 called flag under MEPL in this list that is the same thing 3197 as ''Tip's Shame.'' Just renamed, unfortunately. 3198 know it was renamed after the fact or whatever. I had the wrong name on this thing. 3199 3200 2 Now, if you would look again at Exhibit 8, in the 3201 description of Flight Five, there is an indication that 3202 ''Throw Money'' was one of the advertisements in Flight Five, and you do not list "'Throw Money'" in your March 31 3204 letter. Do you know why that was omitted? 3205 3206 . A It might have been, I think it was one last spot we 3207 produced. I will have to look back on my invoices on the 3208 production at that time. Maybe it was either inadvertent oversight or produced after this was written. MR. SCOTT: Page three. 3210 3211 THE WITNESS: The memo was written in March 31. It 3212 might have been produced after March 31. Let's look at the 3213 script, I guess. Discussion held off the record. 1 3214

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3216 1986. The spot was produced after this memo was written.

3215

THE WITHESS: 'Throw Money,' 'A produced April 7,

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3218 and other documents you produced, we were really trying to 3219 in part sell the success of this program, and we creatively 3220 interpreted everything, all the inputs we were getting from 3221 Mr. Channel and others in presenting what this program was 3222 all about, whether it be in a letter requested by Mr. 3223 Channel to Mr. Channel, or a letter requested by Mr. Channel 3224 to Fred Sack or whoever it may be. Sacher or MR. FRYMAN: All right. I would ask the reporter 3225 3226 to mark as Goodman Deposition Exhibit 18 for identification 3227 a document produced by counsel for the Goodman agency, headed ''MEPL Freedom Fighters Campaign, a Summary Review,'' 3228 3229 and it is dated on the second page, April 30, 1986. 3230 [Goodman Deposition Number 18 was marked for 3231 identification.] 3232 BY MR. FRYMAN: 3233 I show you Exhibit 18, Mr. Goodman, and ask if you 3234 recollect that document. 3235 A I do.

Also I want to make clear for the record that in this memo

3236 . Q Did you prepare this document?

3237 . A I did.

3238 . 9 Why was this document prepared?

3240 preparation, prior to this, and asked what they had done 3241 right and wrong, what we felt from our perspective they mean

PAGE ACT, had done well so well in the freedom 3243 fighters campaign to date. Its preparation was April 30, 1986, so that was still done prior to the ultimate vote in 32uu 1986 on contra aid in June of that year. 3246 Dan said tell us how you think we are doing, good 3247 or bad. Give us your critiques. So I sat down and I might have consulted with other people in the agency. I can't 3248 3249 recall, and just in a about an hour and a half wrote this document, and I think it is important, I guess you are going 3250 3251 to cover each and every point. The most salient point to one of the points that 3252 3253 was being discussed earlier in this deposition is under the 3254 heading, ''The Team,'' and I think that should go into the 3255 record because what I was really saying in there was, look, Mr. Channel, you have not only us but our understanding they

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had other side advisers who may or may not be known-Arthur

Finklesters and the side advisers who may or may not be known-Arthur 3256 3257 Finglestone doing the polling, had a sense he had a PR firm 3258 we knew about, Adelmen Associates or something. 3259 3260 we knew he was bringing in a number -- mora than two -- of two or more outside advisors, people who had been around we may have the some good judgments about 3261 3262 gillen certain things, what I was really doing under this, they had Dowk Mildsone. I was complaining in hindsight. 3264 I am glad it was Sone 3265 never followed up, complaining you have all of those $m_{i,j} = \max_{i \in \mathcal{M}_i, i \in \mathcal{M}_i} m_{i,j}$ considered experience in the field, specially political, and 3266

NAME: HIR257000 3267 you are not using it. Why not once in a while sit down with 3268 us and your other advisors and just do a round table 3269 discussion of how your campaign is going and maybe get from 3270 that meeting for your purpose, some good ideas that you can carry forthwith the rest of this project and campaign and 3271 3272 others to follow. 3273 2 In that paragraph that you are referring to, you stated that, ''Finally, within a number of political 3274 FLETCH TARKS singles, the participation of a Bob Goodman or Bob Teter 3275 will give NEPL an additional shot of credibility beyond the 3276 3277 Oliver North and Elliott Abrams. " 3278 Yes. 3279 Q Bob Goodman, your father, as head of the agency. 3280 Who is Bob Teter? TOTAL COLL BOD TETER IS the President and/or Chairman of the 3281 3282 Board of MOR, Market Opinion Research, a very highly 3283 respected national polling firm, primarily political. As I 3284 understand it, he is working for a number of people right 3285 now, statewide candidates. I think he is doing polling for 3286 the President, or has been for sometime, and I think he is 3287 involved in one of the Presidential campaigns on the 3288 Republican side of the fence, as well. 3289 Was he involved in the Channel activity? 3290 I don't recall. I might have used him as an

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example of the kind of person whose involvement might really

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32921 help. Also, send a signal to the Washington community that 3293 Mr. Channel, who is really basically a newcomer, only been on the scene, so to speak, for a handful of years, give him 3294 3295 some credibility in a political sense that he wouldn't have, 3296 I think, without that. 3297 What did you mean in that sentence that I quoted by 3298 the phrase, ''beyond the Oliver North and Elliott Abrams?'' 3299 Well, Oliver North had addressed that group of fund-3300 raisers, potential benefactors of Mr. Channel's cause and 3301 was obviously very involved in the contra effort. And Elliott Abrams -- my recollection was -- speaker at the second 3302 fund-raising event we attended in 1986, early 1986, so I 3303 3304 knew that those two, of course by reading the papers, 3305 Elliott Abrams is the Assistant Secretary of State for Inter 3306 American or Central American Affairs, obviously. 3307 He was a key player in the public perception sense, 3308 but they covered their linkage to them, I think, covered one 3309 part of the puzzle. The other part was the more political 3310 part of the puzzle. Why I think Mr. Channel could and he NoFZIGER 1 3311 eventually, as you know, brought in & Lyng The NOF PHOER ")110 . aware of Mr. Moisinger's participation 3312 3313 at that point, or in hindsight after I heard of his 3314 involvement or not, but this was on the political side of 3315 the equation where I thought Mr. Channel was a little bit 3316 more naive, maybe, about the political sensibility out

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3317	there, particularly as it relates to this issue.
3318	. Q Is what you have described the only basis for your
3319	reference to Oliver North and Elliott Abrams in that
3320	sentence that I read?
3321	. In other words, is there any other reason other
3322	than what you have stated why you referred to them there?
3323	. A No. As you can see in the way I wrote this memo
3324	and other memorandum and the bulk documents, I do have a
3325	flare for the dramatic, but, in most cases, it is really
3326	designed to push our case.
3327	. Television was successful as having an important
3328	part of the freedom fighters campaign.
3329	. Q You sent this to Mr. Conrad.
3330	. A Yes.
3331	. Q Did you discuss this memo after you sent it with
3332	anyone in the Channel organization.
3333	. A To tell you the truth, I don't think I did. In
3334	fact, I was a little bit upset there was no discussion. I
3335	thought it was a pretty good document.
3336	. Q Now, as of April 30, 1986, do the costs of, do the
3337	costs reflect in the market summary, which is attached to
3338	this summary review?
3339	. A Yes.
3340	. Q Reflect to the best of your knowledge the media
3341	time purchase in those markets as of that date?

NAME: HIR257000 PAGE 136 33421 You mean relative to the freedom 3343 fighter campaign itself? 3344 MR. FRYMAN: Yes. THE WITNESS: Yes, it does. I just reviewed 3345 3346 document 8 again under Flight Five, and all I had was close 3347 to 560,000, and the figure here is 550,000. I am sure that 3348 is a--3349 MR. FRYMAN: As I understand it, it was the 3350 procedure within the agency to use the phrase, ''freedom 3351 fighters.'' 3352 THE WITNESS: Yes, sir. 3353 BY MR. FRYMAN: Or freedom fighter campaign to cover a series of 3355 advertisements. . A Yes. Mr. Channel has made a point of referring to 3356 them as freedom fighters as opposed to contras, which seems 3358 to be a point well taken. A little more compatible 3359 perception. . 2 Are the freedom fighter T.V. advertisements or the 3361 spots listed on page three of Exhibit 8 under the heading Flight Five? 3362 A Yes, sir, they are. Q Is that correct? 3364 3365 A That is correct. 3366 MR. FRYMAN: Off the record.

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MR. FRYMAN: I ask the reporter to mark as Goodman 3368 Deposition Exhibit 19 for identification a document produced by counsel for the Goodman Agency, which has on the first 3369 page the phrase, ''We are Democrats who believe Micaragua 3370 3371 worth saving from Communism oppression, ' and headed on the 3372 second page, ''PRODEMCA. 3373 [Goodman Deposition Exhibit Number 18 was marked 3.374 for identification.] BY MR. FRYMAK: 3375 3376 I show you Deposition Exhibit 19 for 3377 identification. I ask you if you recognize that document. Yes, I do. 3378 What is that document? 2270 0 3380 Well, we met once. We, meaning Bob Goodman and 3381 myself, met in a bar in the bottom of the Hay Adams -- seems like everything goes back to the Hay Adams. We, that day, 3382 3383 met with Spitz Channel and someone else. It may have been Dan Conrad and Pen Kinbal and somebody else--Mr. Cook. Was 3384 that the person? Tom Cook or --3385 Are you referring to Steve Cook of the Adelman 3386 Q 3387 Agency? 3388 Yes, sir, and there may have been other people here. I can't recall. And the discussion was Mr. Channel 3389 had discussed us to met with the William. There was a group 3390 called PRODENCE of Tamocrats who Spitz told us might 3391

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3392! be interested in supporting the administration points of المرازي كالمرازي المرازي المر 3393 fighters, and I don't recall many specifics around the 3394 Trice 7 conversation around the table - Pen Kimbal and others 3395 3396 explaining what they are all about. 3397 And first sheet you see in this exhibit, Tom, 3398 Exhibit 19, was something I believe my father drafted either 3399 prior to or following the meeting. We were told about the 3400 meeting in advance that was either going to be used as a piece of copy that was either going to be used in a print 3401 3402 ad, perhaps in the Washington Post and other things, or as 3403 part of a television spot. I can't remember which, but 3404 nothing came of the PRODEMCA involvement as far as we were concerned after that meeting. It all seemed to drop. 3405 3406 The spot or printed ad or whatever it was was never いごし 3407 done and never heard of or about themmuch 3408 So that was the only contact you had with Mr. 3409 Kimbal.

That is true.

3410 MR. FRYMAN: All right. I ask the reporter to mark 3411 3412 as Goodman Exhibit 20, for identification, a document 3413 produced by counsel for the Goodman Agency, which has at the top of the first page the words, ''Themes.'' 3414

3415 [Goodman Deposition Exhibit Number 20 was marked 3416 for identification.]

3417]

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3418		٤	Mr.	Goodman,	I	show	you	Exhibit	20	and	I	ask	if	λοπ
3419	rec	ogniz	e th	at docume	nt									

3420 . A No.

3421 . Q Do you know the source of that document?

3422 . A No, to tell you the truth it may have come from our 3423 files somewhere. I don't recall having read this or what it

3424 refers to.

3425 . MR. FRYMAN: All right, I ask the reporter to mark 3426 as Goodman Deposition Exhibit 21 for identification, a

3427 document produced by counsel for the Goodman Agency, which

3428 appears to be two pages of polling data.

3429 . [Goodman Deposition Exhibit 21 was marked for

3430 identification.]

3431 . BY MR. FRYMAN:

3432 . Q Mr. Goodman, I show you Exhibit 21 and I ask you if 3433 you recognize that document.

3434 . A Yes, I do.

3435 . Q What is that?

3436 . A As I recall, Spitz Channel either gave this to me,

3437 sent it to me or some other way had it delivered to me or

3438 other people at the agency, and it was out of some poll he

3439 had done. I forget where it was done, why it was done. If

3440 in fact it were ever acknowledged about any of those points.

3441 Obviously in reading through this, I recall it had something

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3442 to do with showing the degree of support in Central America

3443 for certain things, including the contras.

3444 . Q Do you know who prepared the poll?

3445 . A No, I don't, to tell you the truth.

3446 . Q Did you make any use of this?

3447 . A No.

3448 . A I think he just gave that to us for informational

3449 purposes.

3450 . MR. FRYMAN: I ask the reporter to mark as Goodman

3451 Deposition Exhibit 22 for identification, two sheets

3452 produced by counsel for the Goodman Agency, the first sheet

3453 headed, ''Fidel's Warning,'' and a second sheet headed,

3454 ''New York Times.''

3455 . [Goodman Deposition Exhibit 22 was marked for

3456 identification.]

3457 . BY MR. FRYMAN:

3458 . Q Mr. Goodman, I show you Exhibit 22 for

3459 identification, and ask you if you recognize either of those

3460 pages?

3461 . A Yes, I do, I am not sure. Can I read this for a

3462 second?

3463 . Q Yes.

3464 . A Yes, I do recognize it. I think this was a copy we

3465 got most probably from Mr. Channel, if not eff his

3466 associates, probably Mr. Channel. A lot of times he would

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34671 prepare certain spots, and these were two spots that he 3468 proposed that we do at some point along the way, and I don't know if we ever did them in another form or not, certainly 3469 3470 not in this form.

3471 0 Do you recognize the handwriting on the second 3472 раде.

A That is my handwriting.

3474 What does the notation at the right that appears to 3475 say, ''R.R. Speech at C/SPAN,'' and then an arrow to Oliver

3476 What does that refer to?

3473

3477 Tom, as I recall, Reagan had given some speech that 3478 Mr. Channel thought we might be able to use in one or more television spots, and I said, ''Look, you have to be crazy 3479 3480 if you think you can get a Presidential speech. Maybe you can get it from C/Span.'' 3481

3482 He may have suggested to us we contact Colonel 3483 Morth's office to see if he could find a way or knew a way 3484 of getting C/SPAN footage from C/SPAN or any other group 3485 that might be willing to share such footage or sell it for a 3486 price. But I don't recall beyond that reference, don't 3487 recall any contact with his office or follow-up on this at all. 3488

3489 Mr. Channel -- this may clarify on this point and 3490 others. Mr. Channel was almost your personification of an idea man. He used to say he got more ideas a half hour in 3491

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3492| the shower than any during the day, and he was constantly throwing different ideas for different projects, different spots, and whatever else at us, and giust added to 3494 what I have described as a frenetic atmosphere surrounding 3495 3496 our relationship with Mr. Channel, an atmosphere that permeated his desire to make his organizations effective. 3497 3498 MR. FRYMAN: I ask the reporter to mark as Goodman Deposition Exhibit 23 for Identification, three pages 3499 produced by counsel for the Goodman Agency, headed, 3500l ''Nicaraqua Facts.'' 3501 3502 [Goodman Deposition Exhibit Number 23 was marked for identification.] 3503 3504 BY MR. FRYMAN: 3505 Mr. Goodman, I show you Deposition Exhibit 23 and I 3506 ask you if you recognize those pages. 3507 Vaguely. 3508 Do you know the source of these pages? A I can't recall. I know that not necessarily 3509 relative to this particular document, when we needed to get 3510 facts in preparation of the T.V. spots, we were always insistent our facts be irrefutable; that they be 3512 documentable and in most cases we got information from 3513 3514 publicly available documents produced by the State Department, the Defense Department on other places. 3515 3516 I assume this looks like and appears to me to be a



PAGE 143 document that we probably received from Mr. Channel. 3518 Whether he prepared this or not, I can't recall. I can 3519 hardly recall the documents. It gave us talking points or 3520 fact points for future use in television spots. 3521 MR. FRYMAN: I ask the reporter to mark as Goodman 3522 Deposition Exhibit 24 for identification a document produced by counsel for the Goodman Agency. 3523 [Goodman Deposition Exhibit 24 was marked for 3524 3525 identification.] BY MR. FRYMAN: 3526 3527 Which has a list of names and a series of N's, and some handwriting at the lower right-hand section of the 3529 page, which appears to begin with the phrase, ''Flag on 3530 Wall.'' 3531 A Correct. 3532 ō Bo you recognize that document? 3533 A I recognize my handwriting. 3534 0 Do you recall the conversation where you made those notes If indeed you made them during a conversation, or to 3536 rephrase the question, do you recall when you made those 3537 notes? 3538 It looks very--I think I would be safe in almost 3539 making the solid assumption without vivid recollection this 3540 looks like a conversation I probably had with Mr. Channel on 3541 the phone where he covered a number of different things.



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Flag on wall looks like the first part which is

3543 flag on wall, should drop the bomb on Geneva, drop a bomb 21 1972 Cal That is vintage, Mr. Chairman: Yes, I think it Channel is some copy I guess he might have had for a spot. I have 3545 3546 no idea whether we ever did anything with that or not. 3547 What does the--3548 Then there are some references to 'thigh frontier 3549 concerned scientists. 11 Those were two other public 3550 interest groups that had, I believe--had sponsored television ads for SDI, pushing SDI and becoming competitors to Mr. 3551 3552 Channel. 1-12-1-3553 It was a side issue which was again a heck-of-a-lot 3554 of press and attention and Mr. Channel was going to make sure he wouldn't forget. And Ringa Hadia the reference there. 3555 3556 Mr. Channel must have told me Ringe Media was doing that 3557 theme or I learned that by calling the station in Washington where they are doing the advertising, I can't recall specifically, and farther down there was another group called 3559 Committee for a Strong and Peaceful America or something to 3560 that effect; that was on the other side of the ''Star Wars'' 3561 3562 issue, and their spots, either, told or discovered, were being Sample 117(2)
produced by Bob Squires, a very prominent and very skilled 3564 political media consultant, primarily, if not exclusively, 3565 for Democratic candidates.

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Reference to Rich Pollock Associates, I don't know.

3566

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3567 That is a name of an agency that does one or more of these

3568 campaigns, looks like notes during a conversation I most

3569 likely had with Mr. Channel.

HAME:	HIR257000 PAGE 146
3570	RPTS STEIN UNDLASSIFED
3571	DCMM DANIELS
3572	[4:30 p.m.]
3573	. Q What do the numbers signify, 5-7-9?
3574	. A I don't know.
3575	. 2 Ringe Media, was that the same agency that prepare
3576	Exhibit 1?
3577	. A Yes.
3578	. MR. FRYMAN: I ask the reporter to mark as Exhibit
3579	25 two pages produced by counsel for the Goodman Agency
3580	headed ''Targeted Districts.''
3581	. [Exhibit No. 25 was marked for identification.]
3582	. MR. FRYMAN: And as Exhibit 26 two pages produced
3583	by counsel for the Goodman Agency, the first page is headed
3584	''Republicans Who Voted Against Reagan Plan to Aid Nicaragu
3585	Freedom Fighters.''
3586	. [Exhibit No. 26 was marked for identification.]
3587	. BY MR. FRYMAX:
3588	. Q Mr. Goodman, if you would look at Exhibits 26 and
3589	26, and tell me if you recognize either of those exhibits?
3590	. A I recognize both.
3591	. Q Okay.
3592	. Beginning with 25, what was the source of Exhibit
3593	25?
3594	. A To my best recollection, the source of this

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3595	document was Rich Miller.
3596	. Q And What was the source of Exhibit 26?
3597	. A Either Mr. Channell or one of his associates or
3598	Rich Miller.
3599	. 2 Do you recall the approximate date that you
3600	received Exhibit 25?
3601	. A I wish I did. I really don't. I believe it was
3602	1986 at some point, but I can't recall exactly when.
3603	. 2 It was in connection with the votes in 1986 and not
3604	1985?
3605	. A I believe it was, yes.
3606	. Q Did you have discussions of this list with Mr.
3607	Miller?
3608	. A No. I mean no substantive discussions. I forgot
3609	the process here, but I just remember receiving this and Ω
3610	whis at that point I think was a list of targets that I
3611	assumed he and Mr. Channell and others had selected. But if
3612	you compare this with the buy, which it went, with my vague
3613	recollection was there are a lot of changes between this
3614	list and that list and the final buy that was actually made.
3615	. 9 Just taking the first line of Exhibit 25 or the
3616	line that begins with the name ''Mutto,'' M-u-t-t-o, what
3617	does the reference in the next column, d.1what does that
3618	refer to?
3619	. A Having not prepared the document, I will make the

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3620 assumption, I understand that to mean congressional district

3621 1 in Florida.

3622 . Q Further to the right there is the phrase ''Panama

3623 City TV/R/M, Pensacola TV/R/M."

3624 . What do you understand those references refer to?

3625 . A I would understand those references refer to the

fact that in Congressman Mutto's district, the issue is

3627 covered by television coming from Panama City and Pensacola

3628 as well as radio and newspaper.

3629 . Q Do you have any recollection of a discussion with

3630 anyone of Exhibit 25?

3631 . A I don't.

3632 . Q Now, Exhibit 25, you believe, came from Mr.

3633 Channell?

3634 . A Or Mr. Miller. You know, I guess in our thinking

3635 we saw them as interchangeable.

3636 . Q Was this received some time in 1986?

3637 . A I don't recall.

3638 . Q Do you recall any discussion with anyone about

3639 Exhibit 26?

3640 . A No, I don't.

3641 . Q Do you know why Exhibit 26 was sent to you?

3642 . A No.

3643 . MR. FRYMAN: I ask the reporter to mark as Goodman

3644 Deposition Exhibit 27 for identification a letter from Mr.

Goodman to Ellen Garwood dated October 31, 1985.

3646 [Exhibit No. 27 was marked for identification.]

3647 BY MR. FRYMAN:

3648 Mr. Goodman, I show you Deposition Exhibit 27. Do

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3649 you recall sending that letter to Mrs. Garwood?

3650 I do.

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3651 What was the reason you sent that to Mrs. Garwood? Q.

3652 Per Mr. Channell's request.

3653 Was such a letter to a potential contributor an

3654 unusual request by Mr. Channell?

For the same reason we sent that letter you have 3655

3656 already entered into the exhibits to Fred Sacher.

3657 somewhat unusual, but once in a while Spitz would call and

3658 say, ''Would you mind sending the schedule of the TV spots

to air in so-and-so market to a particular person. ** Ellen

Garwood, as explained to us, was one of the major 3660

benefactors of Mr. Channell and his operations and we knew 3661

3662 she lived in Austin, Texas.

3663 He made it a point to make sure we placed

3664 advertising time in Austin, Texas the market covering her

3665 area even in cases where there was no one down there that

3666 Mr. Channell wanted to affect.

He wanted to show Mrs. Garwood that he was alive 3667 Marthairean Jack

and well and adverting was all over the map. 3668

That is my assumption. That is the reason I wrote 3669



UNGLASSIFIED . NAME: HIR257000 3670 it the way I did. So there were at least several occasions where Mr. 3671 Channell asked you to write letters to assist him in raising 3672 funds for a media campaign? 3673 3674 MR. SCOTT: I object to the form of that question. 3675 I don't think it has been established that this was done to 3676 raise funds per se. I think your question implies that this letter was written to raise funds. 3677 How Mr. Channell used it hasn't been established 3678 exactly and I don't see a direct request for money. MR. FRYMAN: Well, I will withdraw the question. 3680 3681 BY MR. FRYMAN: Mr. Goodman, what did you understand was the reason 3683 for this letter? The reason for the letter, I understood it as was 3684 the reason at different times de placing TV buys in Austin, Texas, was for Mr. Channell to show Mrs. Garwood that this 3686 campaign was alive and well. 3687 3688 May I make the assumption, it seems to be the

of the campaign.

Q Did you draft this latter or was this letter--

obvious assumption he wanted to keep Mrs. Garwood and other

major contributors content with the progress or the success

3693 . A I drafted this letter.

3689

3692

3694 . Q Now, the earlier letter that we have discussed that

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3695 you sent to Mr. Sacher--

3696 . A Yes.

3697 . Q It is your understanding, is it not, that that

3698 letter was part of an effort to seek assistance from Mr.

3699 Sacher in the form of a contribution to the proposed media

3700 campaign?

3701 . MR. SCOTT: I object to the form of that question

3702 as well. It hasn't been established in the testimony that

3703 that was the purpose of that letter, to solicit funds.

3704 . Do you want to ask him if that was the purpose of 3705 that letter perhaps that would be a good way to go, but I

3706 don't believe it has been established in previous testimony.

3707 . MR. FRYMAN: I withdraw the question and I will 3708 rephrase it.

3709 . BY MR. FRYMAN:

3710 . 2 Mr. Goodman, referring again to Exhibit 16, which

3711 is your December 12, 1985 letter to Mr. Fred Sacher, in the

3712 second paragraph of that letter, you state, ''We are now

3713 prepared to put our program into action and yet, without

3714 your help, we may never reach first base."

3715 . Now, did you understand by sending that letter you

3716 were assisting Mr. Channell in seeking contributions from

3717 Mr. Sacher for a media program?

3718 . MR. SCOTT: I object to the question, but you can

3719 go ahead and answer it.

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All of our work for Spitz Channell

depended em obviously funding as any part of this program 3721 3722 did. We were never an active part of the fund-raising 3723 effort. -3724 At times, I was directed to write letters that 3725 axtolled the virtues of the program and if appropriate, our perception of the success of the program to date. ' And if 3726 3727 the question is, was the Goodman Agency involved in raising 3728 money for Mr. Channell, I must humbly say, and emphatically, 3729 no. 3730 If the question is did anything we do contribute at 3731 least tangentially to Mr. Channell in terms of his fund-3732 raising or fund-raising success, I think that is a fair word 3733 to use, then I have to say yes.

BY MR. FRYMAM:

Wall, in connection with whether the Goodman Agency was involved in assisting Mr. Channell in raising funds, Mr. Goodman, if you would turn to the second page of Exhibit 16, in the last paragraph, where you state, ''If you have any questions or suggestions, please don't hesitate to call Bob Goodman or myself. Otherwise, we suggest that you contact Spitz Channell directly to ascertain the precise timing and transfer of funding needed to launch this critical 'next step.'''

Now, in writing that paragraph, was it urgent to

3754

assist Mr. Channell

3746 MR. SCOTT: I object to the form of the question.

3747 When we produced, for instance, the

3748 story boards that have already been offered into evidence

and when we produced, at times produced extra half-inch 3749

3750l copies of a certain spot or spots that had been produced and

3751 it was ordered more in bulk, relative bulk--obviously it was 3752 our impression that Mr. Channell was going to use these

3753 materials and other things for the purpose of, No. 1,

keeping his benefactors appraised of the effort; and 2, I think it is obvious to continue encouraging them to remain 3755

3756 loyal to Mr. Channell and his cause vis-a-vis contributions.

3757 I don't think that is anything that Mr. Channell

3758 tried to hide, certainly it is nothing we would try to hide. 3759 We as the suppliers of television were very interested in

3760 trying to see if this program would be successful and be

3761 given a chance to be successful and upon Mr. Channell's

3762 direction at times we were directed to write letters that

3763 talked about the program in a way not to disparage the

prospects for success of the television aspect of his 3764

3765 campaign. But to extol those prospects and to encourage

3766 further support.

3767 I want to make clear if the question is did I or 3768

anybody in the agency work in concert with Mr. Channell or

3769 any of his associates to directly raise money vis-a-vis

Iking about specific donations or anything having to do with the technical aspect 3771 of fund-raising I am saying emphatically no. 3772 BY MR. FRYMAN: 3773 When you say work in concert with Mr. Channell, you 3774 3775 sent this letter to Mr. Sacher, which is Exhibit 16, with Mr. Channell's knowledge that you were sending it, did you 3776 not? 3777 3778 Yes. And when you write in the second paragraph of that 3779 letter, Mr. Goodman, that you are prepared to put the 3780 program into action and yet without Mr. Sacher's help, you 3782 may never reach first base--3783 A Yes. Did you not consider that a request for funds? 0 3784 3785 MR. SCOTT: I object to the form of that question. MR. FRYMAN: You may answer. 3786 THE WITNESS: I see it as more of a generic 3787 line -- without your help and others like you, our television 3788 and other programs would never succeed. But we were never 3789 asked to contact contributors for the purpose of raising 3790 money. We were never asked to request funding assistance 3791 directly from people that Mr. Channell directed us to 3792 contact. 3793

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3794

We were not involved -- our intention with all this

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3795 was not to be a fund-raiser for the Channell organization.

3796 Our object was, again, to promote the virtues of our program

3797 and our feelings of its chances for success.

3798 . By the same token, the letter to Mrs. Ellen

3799 Garwood, which you have labeled Exhibit No. 27, was the

3800 result of a telephone call I got from Mr. Channell saying,

3801 ''Look, Mrs. Garwood would love to know her efforts have

3802 been worthwhile. We are doing advertising in Austin. Send

3803 her a schedule so she can see some of these spots on

3804 television for herself."

3805 . MR. FRYMAN: I ask the reporter to mark as Goodman 3806 Deposition Exhibit 28 for identification a page dated April 3807 17, 1986, produced by counsel for the Goodman Agency.

3808 . [Exhibit No. 28 was marked for identification.]

3809 . BY MR. FRYMAN:

3810 . Q Mr. Goodman, I show you Exhibit 28 and I ask you if 3811 you recognize that document?

3812 . A I don't recall reading this, but I vaguely recall 3813 what is being alluded to.

3814 . Q What is that?

3815 . A Just read the memo. ''Spitz called today, wants
3816 the audio redone on 'Helicopter' and 'Terrorist Influence'
3817 to end with: 'Sponsored by the National Endowment for the

3818 Preservation of Liberty.""

3819

. Ω Was that a change from the way it had been?

NAME: HIR257000 A That is my assumption? Do you recall how it had been? A I don't. Do you also recall the incident or the matter 3823 apparently referred to in the last part of that memorandum 3825 where it states, ''Under no circumstances do they want 'They 3826 Are Us' to run?" 3827 A Right. They didn't like that spot. So they were just ordering you to stop it? 3828 2 3829 A Yes. 3830 Q Do you know why they didn't like it? Not specifically. 3831 A 3832 Did they ever indicate to you why they didn't like Q. 3833 it? . A They may have, but I don't recall. It wasn't one 3834 3835 of our favorite spots either. MR. FRYMAN: I ask the reporter to mark as Goodman 3836 3837 Deposition Exhibit 29 for identification a letter dated 3838 March 19, 1987 from Allen L. Schwait to J. Curtis Hurge, H-ur-g-e; and a second letter which is headed ''Second Draft,'' 3839 and it is a typewritten letter, unsigned, from Robert 3840 3841 Goodman to Carl Russell Channell dated March 11, 1987. [Exhibit No. 29 was marked for identification.] 3842 3843 BY MR. FRYMAN: Mr. Goodman, I show you Deposition Exhibit 29 for 3844 2

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3845 identification and I ask you if you recognize those

3846 documents?

3847 . A I do.

3848 . Q Am I correct that the second draft, which is the

3849 last two pages of this exhibit, is not the letter referred

3850 to in Mr. Schwait's letter dated March 19 where he says,

3851 ''Mr. Channell or one of his associates drafted a letter

3852 dated March 11, 1987 for Mr. Robert Goodman's signature, ''

3853 and that you feel it is inaccurate that Mr. Schwait feels it

3854 is inaccurate?

3855 . A As I recall, this is a copy of a letter alluded to

in Allen's cover letter that we received from Mr. Channell

3857 and his organization or organizations requesting that we

3858 sign it.

3856

3859 . Q So it is your understanding this was what Mr.

3860 Channell sent you?

3861 . A Yes.

3862 . Q And this is the letter that Mr. Schwait's letter

3863 describes as inaccurate?

3864 . A Yes.

3865 . Q What is inaccurate about that letter?

3866 . A I wish you had given me some advance warning on

3867 that because we made a list of responses to those letters

3868 should we ever need to consult that.

3869 . MR. FRYMAN: Let's go off the record.

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3870 . [Discussion off the record.]

3871 . BY FRYMAN: Is there a pending question?

3872 . [Whereupon, the record was read by the reporter.]

3873 . MR. SCHWAIT: To the extent you recall.

3874 . THE WITNESS: There are all sorts of things in this

3875 letter that we objected to and I want to note for the record

3876 there was some pressure applied to us to sign this thing.

3877 . BY MR. FRYMAN:

3878 . Q Pressure by whom?

3879 . A By Mr. Channell and his associates.

3880 . Q How did he apply pressure?

3881 . A He just suggested that we should sign this because

3882 he was feeling--it was our impression he was feeling a lot of

3883 pressure from the press and others and he gave us the

3884 feeling he might make life miserable for us if we refused.

3885 . Q Did he indicate how he might make life miserable?

3886 . A I didn't talk to Mr. Channell about this. Bob

3887 bipman did. We reviewed the letter and there were several

things he objected to.

3888

3891

3889 . In the second paragraph at the end, it started

3890 talking about how certain ads were funded, placement of the

first flight of television ads in 1985 depicting the plight

3892 of Kicaraguan refugees were paid for by the American

3893 Conservative Trust-State Election Fund. We didn't know the

3894 difference between various American Conservative Trust

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3895 accounts until 1987 when we did a thorough review and 3896 started to find out where these checks had come from in term 3897 of the headings.

3898 There are a lot of a priori assumptions that they 3899 were trying to have us make here about certain knowledge of 3900 their foundations which we simply did not have and that is 3901 one example. Then they had something on the last paragraph, 3902 all the ads run in specific congressional districts. 3903 designed to get voters to call their Congressmen on 3904 Micaraguan freedom fighter aid, were paid for by Sentinel, a 3905 501(c)(4) lobbying organization.

3906 . We had and did not have then and don't have now any 3907 specific knowledge of exactly what the charters are on each 3908 of these organizations.

3910 give me a thumb-nail sketch. We had never seen the common documents for charters.

I could take a half an hour with this, and pick it apart, but the bottom line is they were asking us to make statements which were not accurate in reflecting our extent of our knowledge of the organizations and the program as we handled it over the course of our relationship.

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3917 RPTS THOMAS

3918 DCMN KOEHLER

3919

3925

3927

3931

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3937

3920 . BY MR. FRYMAN:

3921 . Q Is the next paragraph correct, that reads, quote,

3922 our firm did not participated in the Maryland campaign

3923 activities?

3924 . A That is correct.

. Q Regarding the senatorial race between Linda Chavez

3926 and Barbara Mikulski?

A That is correct.

3928 . Q Mr. Schwait's letter indicates that his office will

3929 be contacting Mr. Merge to offer his assistance in drafting

3930 a complete an accurate statement of the facts.

. A Yes.

3932 . Q Do you know if there was ever such a statement

3933 prepared and delivered to Mr. Herge?

3934 . A To my knowledge--to my knowledge we did prepare a

statement delivered to Mr. Herge. Our intention by the way,

for Mr. Channell than it already was, we still have a lot of

3936 Tom, as long as we didn't want to make life more difficult

3938 respect for his intelligence--we were trying to help in this

3959 sense--trying to find a way if it was possible, to have

3940 something that both organizations, both Mr. Channell and the

3941 Goodman Agency, could verify as accurate.

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3942	. We would be helpful for bothbut I am not aware of any
3943	progress that had been made on this front.
3944	. Q Хом, Mr. Goodman, you have described today your
3945	activities on behalf of Mr. Channell's organization in
3946	connection with the Micaraguan issue advocacy campaign. And
3947	you have described advertisements you prepared and placed in
3948	connection with the senatorial campaign involving Tim_With.
3949	A Yes.
3950	. Q You further indicated that your agency had no role
3951	in the Chavez/Mikulski campaign.
3952	. A Yes.
3953	. Q Other than the Wirth campaign, did your agency
3954	participate in any political campaigns on behalf of any of
3955	Mr. Channell's organizations?
3956	. А Ко.
3957	. Q Now, in Exhibit 3, there is a reference to various
3958	ads sponsored by Sentinel entitled, ''Does He Know?'',
3959	"'Fack Check", and ''Time Check".
3960	, à Yes.
3961	. Q And then there in Exhibit 7, there is a story board
3962	for the advertisement, ''Does He Know'', that relates to
3963	Congressmen Hichael Barnes.
3964	. A Yes.
3965	. Q Now, is it your understanding that that
3966	advertisement had any relationship to the senatorial primary

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3967	campaign in which Congressman Michael Barnes was a
3968	candidate?
3969	. д. Жо.
3970	. 2 What is your understanding of the purpose of that
3971	advertisement, ''Does He Know?''?
3972	. A Congressman Barnes or with everybody?
3973	. Q Let's focus on Congressman Barnes for the moment.
3974	''Does He Know'' ads relating to Congressman Barnes.
3975	. A ''Does He Know'' series relating to all Congressmen
3976	that you see listed on Exhibit 3 was designed to, as we
3977	understand it, sway Congressional opinion, sway votes,
3978	influence votes, if possible, by influencing public opinion
3979	on a vote that was coming up in June.
3980	. The actual selection of targets was Mr. Channell's.
3981	Why Congressman Barnes, I don't know. You will have to ask
3982	Mr. Channell that.
3983	. Q Now, on the Exhibit 3 there is a list of a number
3984	of names in connection with the ''Does Ne Know'' ad. Am I
3985	correct, am I not, that the advertisement was run on a
3986	television station with regard to Congressman Barnes?
3987	. A Yes, in the Washington market.
3988	. 9 Did advertisements run on television stations
3989	involving Mr. Whittley, the next name on Exhibit 3, after
3990	the ''Does He Know?'' ad?
3991	l Yas.

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3992| . Q Mr. Jones?

3993 . MR. SCOTT: For the record, I think you should

3994 point out he is referring to Exhibit 8. His answer reflects

3995 the information contained on Exhibit 8.

3996 . THE WITNESS: Yes, sir. Thank you, Jim.

3997 . Which I think is complete, Tom, and accurate. I don't

3998 see Jones listed, so he may have not been.

3999 . BY MR. FYMAX:

4000 . Q What about Mr. Whitten?

4001 . A Again, I don't see that on the list.

4002 . 2 Mr. Boner?

4003 . A Yes.

4004 . 9 Mr. Gordon?

4005 . A Yes.

4006 . 2 Mr. Cooper?

4007 . A Yes.

4008 . 2 Mr. Mazzoli?

4009 . A Yes.

4010 . Q Mr. De La Garza?

4011 . A Yes.

4012 . 2 Mr. Pickle?

4013 . A Yes

4014 . 2 Mr. Hefner?

4015 . A Yes.

4016 . Q And Mr. Bustamante?

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4017	A Yes.
4018	. Q And the selection of these individuals in
4019	connection with this advertisement was done by Mr. Channell
4020	so far as you know?
4021	. A Yes.
4022	. Q Did you make any suggestions with respect to
4023	. а но.
4024	. Q The markets and the individuals that would be the
4025	subject of this ad campaign?
4026	. А Жо.
4027	. Q Did you have any discussion with Mr. Channell or
4028	anyone in his organization as to how the Barnes ad would fit
4029	into the overall strategy that they had with respect to
4030	Congressman Barnes?
4031	. A I don't recall any discussion about that.
4032	. Q I have no further questions.
4033	. BY MR. OLIVER:
4034	. Q I just have a few questions.
4035	. A I have a few things I want to put on the record at
4036	the end, if that is appropriate.
4037	. MR. SCOTT: Can we take a five-minute break?
4038	. MR. OLIVER: Whatever you want to do.
4039	. MR. SCOTT: Let's take a break.
4040	. [Recess.]



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4043	. Mr. Goodman, in Exhibit No. 7 , which we discussed
4044	earlier, the fourth paragraph on the story board, there is a
4045	picture of a helicopter. Did I understand that earlier that
4046	is the Hinds helicopter from the photographs that were
4047	provided to you by Fawn Hall?
4048	. A $\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ $
4049	from Fawn Hall. If not, it was awfully close to it.
4050	. Q Just above that photo is a slide of what appears to
4051	be an aerial photograph. Where did you obtain that slide?
4052	. A Good question. It wasn't a slide, it was a
4053	picture, and publication of it came from either the State
4054	Department or the Defense Departmentsupposedly available to
4055	the general public, printed by the Government Printing
4056	Office. And at various points along the way where we needed
4057	some pictures, something visual, we were often told by Mr.
4058	Channell to call, in most cases, Mr. Miller, Richard Miller,
4059	who would have access, or know where to get access to these
4060	kinds of documents.
4061	. 2 Did he provide you with this photograph?
4062	. A This publication from which the photograph came?
4063	,
4064	. A Mr. Miller
4065	. 2 Did it come from a publication?

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It came from a publication. In fact, I sent copies

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4067 of this publication, different copies, when I tried to

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4068 support the factual evidence being presented, the very spots
4069 to the station--actually the station, it was either--in fact,
4070 it was part of the material we supplied to the committee by
4071 either a State Department or Defense Department publication

4072 and, in that publication, they had a lot of different--

4073 . 2 It was from a publication provided to you by Mr.

4074 Miller?

4077

4075 . A Either Mr. Miller or Mr. Channell, but in most 4076 cases, it was from Mr. Miller.

. Q That is your recollection?

4078 . A Yes.

4079 . Q At any time did you ever receive as payment for any 4080 of your services traveler's checks?

4081 A No.

4082 . Q Did you understand at any time during your working

4083 relationship with Richard Miller or IBC, if they were

4084 connected in any way to the Department of State?

4085 . A No.

4086 . 2 Was it ever indicated to you they were under

4087 contract or consultants, in any way, to the Department of

4088 State?

4089 . A No.

4090 . Q Did you ever meet Mr. Robert Kagan?

4091 . A I don't recall meeting him or my father.

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4092	. Q	Did you ever meet Otto Reich?
4093	. а	No.
4094	٩	Jonathon Miller?
4095	. а	Not that I recall.
4096	. 2	John Blacken.
4097	. A	No.
4098	. 2	Mark Richards?
4099	. а	I don't recall any.
4100	. 2	Walt Raymond?
4101	. а	I don't believe so.
4102	. 2	Did you ever meet Dave Fischer?
4103	. а	I don't believe so.
4104	. 2	Bruce Cameron?
4105	. А	I don't believe so.
4106	. 2	Dan Kuykendall?
4107	. A	Yes.
4108	. 2	When did you meet Dam Muykendall?
4109	. А	Probably met him once or twice. One time I can
4110	remember	was a luncheon meeting at The Monoole, of all
4111	places, s	omatime, I think early to mid-October of 1986.
4112	Present a	t the meeting was Spitz Channell and at least two
4113		sociates, and my father, and Iand we talked about
4114	a number	of things.
4115	. But	Presently, the discussion revolved around the primarily
4116	conceptio	n and creation of the final ad series of that

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- 4117 election year which was an ad series that, ultimately, led
 4118 to the creation of this spot that was used in the Tim Wirth
 4119 campaign.
- 4120 . Q As a result of this meeting, were the spots also 4121 produced that related to Congressman Bryant, Congressman
- 4122 Coleman?
- 4123 . A Yes, sir, same series.
- 4124 . 2 Congressman Wright and Senator Cranston?
- 4125 . A Yes, that is correct. Though, at that meeting I
- 4126 understand, as I recall, there were no real discussions of
- 4127 absolute targets. If there was, it was very unspecific.
- 4128 The meetings were really designed to come up with a creative
- 4129 concept and approach to the television spots ultimately
- 4130 developed for that campaign.
- 4131 . Q What did Mr. Channell tell you Mr. Kuykendall's
- 4132 role was with his organization?
- 4133 . A I can't recall anything specific. My impression
- 4134 was he was an adviser to Mr. Channell, and I wasn't even
- 4135 aware if he was paid or otherwise.
- 4136 . Q Did you ever have any other meetings with him?
- 4137 . A No.
- 4138 . 2 Did you ever attend any legislative strategy
- 4139 meetings at the offices of IBC or PRODEMCA?
- 4140 . A Legislative strategy sessions meaning--
- 4141 . Q Sessions that included a number of people who were

INCLASSIFIED 4142 working with Mr. Channell to try to influence the Congress and vote on aid to the freedom fighters? I think I have described when we were first 4144 4145 interviewed by you in July, that I can recall at least one, probably more that one occasion, where there would be an ongoing meeting. There would be a meeting already in session 4148 where Mr. Channell, Dan Conrad, Richard Miller, Frank Gomez, 4149 typically, and others, were involved, and we would come at 4150 an appointed time. Sometimes it was held at IBC--sometimes-- I think it 4151 happened more than once, and we would walk in on que and 4152 make a talk about the television and what we wanted to do 4153 4154 with the television. Then we would leave and the meeting 4155 would continue. 4156 That would be you and your father? 4157 My father and I. 4158 And you would describe the ads, not just the ads, 4159 without talking about the districts they were running in and 4160 discuss that? 4161 A I don't recall any discussions in those kinds of meetings about legislative strategy. Certainly, not when we 4163 were involved. It was really about the creative

were involved. It was really about the creative
approach—what we were going to say in this particular spot,
for this particular spot,
how we were going to get the vicinity for that and that spot



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4167 And also involved in at least one meeting, I can 4168 specifically recall, was a representative of the Edelman 4169 group who, we were told, was doing public relations for Mr. Channell. And two or three times that I can recall, I had a 4170 conversation with their representative, whoever it was, who 4171 4172 just wanted to know, I think basically, when spots would be going on the air. I can't recall any time when we were 4173 4174 present in any of those, when legislative strategy, as you 4175 are defining it, was discussed. 4176 Q Did you ever meet Jack Lichenstein? 4177 No. 4178 Did you ever meet Ed Fraser? 4179 Α The name sounds familiar, but I can't recall. 4180 Were you ever told by Mr. Channell or Mr. Conrad, or any of their associates, of other activities that were 4181 taking place in Congressional districts, such as grassroots 4182 4183 organizing, direct mail, things that supplemented or would have supplemented in a political campaign sense, the 4184 television advertising that you were doing? 4185 It was our impression that Mr. Miller was heading 4186 4187 up the grassroots, as you call it, grassroots PR lobbying effort which involved a lot of things. I think, at one 4188 4189 point, we heard about an effort to fly news directors of 4190 local television stations from around the country down to

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Micaragua to actually show them what was going on down

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4192| there.

4193 . We would get that in bits and pieces, just in general
4194 conversation; but I don't ever recall having been shown or
4195 told exactly everything that Mr. Miller and his associates
4196 were developing on behalf of Mr. Channell in public
4197 relations grassroots lobbying.

. 2 Were you aware that you were part of a larger effort--there were a lot of different elements to this campaign?

. A Absolutely. And going back to that March 1986

letter that we have already entered into the evidence—was it

March—I am sorry, it was April. The critique letter, where

under the section of team—frankly, I was maybe, I think, I

don't know if my father shared this sentiment as much as I

did. We felt we were outsiders looking in, part of a bigger

thing. We felt so ignorant about the totality of Mr.

Channell's organization.

Hhen I say Mr. Channell's organization, I include Richard Miller and others in that, that we felt slighted or a little left out of the process. In hindsight, Thank God we weren't given a chance to run with our feelings and become more directly involved in the group. But, yes, the best way to describe tha relationship is an outsider looking Salaron 1962.

NAME:	HIR25	7000	PAGE 172
4217		2	Were you aware that this campaign that Mr. Miller
42 18	was	cond	ucting in conjunction with Mr. Channell was
4219	coor	dina	ting its efforts with the White House campaign?
4220		A	No.
4221		٥	Do you know John Roberts?
4222		A	No.
4223		ō	Do you know Ed Rollins?

4224

4225 Do you know who recommended you to the Channell

4226 organization?

Again, as I think it was one of the first

4228 questions--

4229 2 You indicated who called you first, but I wonder if

you ever found out or ever learned who recommended? 4230

4231 No. In fact, if there is an overt recommendation--

You indicated a moment ago in the discussion of the 4232

4233 March 19th letter from your attorney to Curtis Herge, that

4234 you were not aware of the different elements of Spitz

4235 Channell's organizations.

4236 I wonder if I could ask you to look back for a moment 4237 at Exhibit No. 8, which I believe you indicated was a

4238 document prepared by you?

4239

And the the first sentence on the cover page says, 4240

''The paid media chronology of the NEPL, American

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4242 Conservative Trust'', and then it says, parenthesis, ''federal and state'', underlined and, ''and state''? և շև և Yes. 4245 Which would seem to indicate that you did 4246 understand that there was a difference between the 4247 organizations, is that correct? 4248 No, it is not correct. It is a good question. This was prepared on January 10th, 1987. A few days prior 4249 4250 to that, there was a meeting where Mr. McMahon, Steve McMahon, and Cliff Smith came to Baltimore, and they went to 4251 4252 talk, at that point, to our bookkeeper, Colleen Vickers, to see what our books were saying about what the accounts were 4254 and so on and so forth. And either on that day 4255 specifically, I know on that day it was discussed with Colleen--she is better able to discuss this than I--and maybe 4257 even prior to that, they started -- they meaning Mr. Channell--and/or members of his organization, started to 4258 4259 enlighten us as to the differences between the 4260 organizations. And we were told, at the very least no later than that 4261 day, I think it was the 5th or 6th of January, a few days 4262

. And we were told, at the very least no later than that day, I think it was the 5th or 6th of January, a few days before it was prepared, that look, you showed no--this is not ACT, it is ACT federal, state checks, copies of checks which we keep. And on those checks sometimes they had nothing other than ACT, sometimes federal, sometimes nothing. We

PAGE didn't know, We had an understanding 4268 from them. There was more than one ACT fund which is why I alluded to federal and state, I got that education. 42691 4270 Were you aware at that point there might be a 4271 problem with spending state election PAC funds? 4272 No, nothing. The charters that govern these 4273 organizations, we weren't sure what the legalities were. But you are aware of the difference between the 4274 kinds of funds that can be contributed to the state 4275 elections, and the kind of funds that can be contributed to 4276 4277 federal elections? For instance, in Maryland, where--4278 No. 4279 You are very active, corporate contributions, are 4280 allowed for state elections, they are not allowed for 4281 federal elections. 4282 Yes. 4283 I assume you are aware of that distinctive difference between federal and state elections? 4284 I should as a political, good question, it is a 4285 Consultant 4286 good question as a political professional, as a media consultant, I should say yes. Unfortunately, I think I 4287 probably speak for my father and Ron Wilner, the answer is 4288 4289 really no, we know, basically, a corporation can't

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uninformed about the dos and don'ts in terms of political

contribute to federal candidates and so on.

We are so

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4292 fundraising that I would be ashamed to have to write out 4293 what little I know about it.

4294 . Q Did the term American Conservative Trust State
4295 Election Fund ever appear in the video or audio credit lines
4296 on the ads?

. A Never, because we never had the knowledge that there was more than one ACT. We thought it was all one and the same.

. 2 When you seek to purchase time from a television station, what kind of information are you required to give them about the sponsor of the ad, if any?

4303 . A We are not required to give them any information.
4304 They will often ask, especially when it's a public interest
4305 group. They, I think they mentioned the station
4306 management--certainly their attorneys--are very interested in
4307 at least knowing the basic identity and founding principals
4308 of whatever organization wants to fund this kind of
4309 television advertising on the stations.

4310 . I don't think it's a written rule, but it's certainly 4311 requested more often than not.

4312 . Q Do you have to comply with any federal reporting
4313 regulations of any kind when you place an ad which is an
4314 independent expenditure in a federal campaign?

4315 . A Not that I am aware of. When you do television for 4316 political candidates in political campaigns, there is a form

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We call it PB-9, now called PB-10, basically, 4317 you fill out. 4318 a disclaimer of information that says we are representing so 4319 and so, Senator so and so, and will be buying his or her time in the election, it will be held on, give the date, it 4320 is being funded by, and list the name of the committee that 4321 is paying for the spots or spots to come. And that is used 4322 4323 in political campaigns, but independent expenditure, we 9. I don't think we ever had to or never had to fellow PB-9. 4324 4325 have been following --4326 Q I believe you say it was in December or January 4327 1987, Jeff Keifer from IBC contacted you and asked you for, I guess, a report on their overall expenditures in 1985 and 4328 4329 1986? 4330 He wanted a basic report/chronology and, as I 4331 recall, he was really most interested if not only 4332 interested, in the numbers, meaning the dollars that were 4333 expended. As I indicated earlier in the testimony, I think 4334 I just listed next to the expenditures on each of the 4335 markets for each flight, the spots that were actually run in those markets. 4336



UMALASSFIFN 177 4337 RPTS STEIN 4338 DCMM DANIELS 4339 [5:30 p.m.] So if he hadn't made this request, you would never 4340 4341 have discovered the discrepancies from 1985, for instance? 4342 No. We started to do a review of our books. 4343 document that was dated December 22nd already showed us 4344 there were discrepancies that we had to be cognizant of--4345 That was a result of the stories in the newspaper? 4346 Yes, very much. 4347 Did you or your father introduce Frank Gomez at one 4348 of the May Adams meetings of contributors after a White 4349 House briefing? 4350 I don't think so, no. 4351 MR. SCHWAIT: Introduce him to whom? 4352 MR. OLIVER: I do not have a copy of the document, 4353 but there was a -- I will aver to you that there was a copy of a document produced by another entity that indicated that on 4355 the schedule for what was going to take place at this 4356 meeting, it has so-and-so opens meeting, so-and-so comes on and it had Bob Goodman introducing Frank Gomez. 4358 THE WITNESS: I don't think I did. I don't recall 4359 that. 4360 BY MR. OLIVER: 4361 Have you ever heard of an organization or an entity UNCLASSIFIED

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4362 called Parkefeld Enterprises?

4363 . A No.

4364 . 2 When you attended these meetings or briefings at

4365 the White House followed by the May Adams function, I

4366 believe you said you attended two of those--

4367 . A Yes.

4368 . Q Did you become aware at those meetings that the

4369 money that was being asked of these potential contributors

4370 would be tax deductible?

4371 . A I don't recall anything about tax deductibility of

4372 contributions. If it was discussed, I either don't remember

4373 it or it wasn't discussed in the presence of myself or my

4374 father.

4386

4375 . Q You said earlier that the disclaimers on all the TV

4376 ads matched your bills?

4377 . A Yes.

4378 . Q They did not match the checks?

4379 . A No, and we didn't realize that until we audited the

4380 books at the end of 1986.

4381 . Q Is there--does that indicate that any of that could

4382 happen, if this story hadn't broken, that your books would

4383 have reflected payments from people other than the people

4384 who the ads were credited to in your books?

4385 . MR. SCOTT: I object to the form of that question.

. THE WITNESS: Could you restate that? I am sorry.

MR ASSIFIED NAME: HIR257000

4387 BY MR. OLIVER:

4388 What I am concerned about is whether or not in a

television campaign designed to influence the Congress, that 4389

4390 ads can be run in congressional districts which are credited

4391 to one entity which are paid for by another and in this case

you seemed to indicate earlier that the only reason you went 4392

back to reconstruct your books was because of the stories that appeared in the newspaper regarding the Iran/contras. 4394

4395 If those stories had not appeared, your books would

4396 still have reflected payments from organizations other than

4397 those reflected on the story lines; is that correct?

4398 Yes, but may I continue with--if we could go off the

record a minute. 4399

4293

4400 [Discussion off the record.]

4401 MR. OLIVER: Back on the record.

BY MR. OLIVER: 4402

When you began to realize the impact of this 4403 0

4404 campaign, I think you referred to it as sort of a new method

4405 of influencing legislation, did it occur to you that you

4406 might need to register as a lobbyist?

4407 You mean our agency?

4408 Yes. 0

No, never. 4409 A

4410 0 You indicated earlier that in a normal political

campaign which you engage in quite often, you all do 4411

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4412 everything from soup to nuts, I think you have made a rather 4413 expansive representation.

Right.

4415 But in this campaign, you are telling us that your 4416 role was narrowly limited to producing television ads and the copy requested by Spitz Channell and you were not 4418 involved in the legislative strategy, you were not involved 4419 in fund-raising, and you were not primarily involved in targeting, that you took your direction targeting from Rich 4421 Miller and Spitz Channell; is that correct? 4422

That is correct.

Was there also a time in which you were attempting 4424 to solve a problem with running television ads in the Hartford-Naw Haven market?

As I recall, the reason we ran spots or were 4426 directed to run spots in New Haven was to reach Greenwich, 4427

4428 Connecticut, because there was a major contributor, Barbara Newington, who lived there. It is the same thing we 4429

4430 discussed with Ellen Garwood, the reason Mr. Channell placed 4431 spots in Austin.

4432 You indicated that you had met Oliver North twice,

4425

I believe, once at the meeting in the Indian War Treaty 4433 Room, which you referred to in an earlier letter to Fred 4434 4435 Sacher, and again at a White House briefing prior to a -- I

guess the January 30th briefing--prior to a meeting at the 4436

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4438		A	I	only	recall,	and I	think	щy	father	reallyI	think
111130	ha	h-c	+ > 0	< 2 ma	recolle	ction.	he onl	U +	-002116	seeing 01	i var

4440 North once at Mr. Channell's two fund-raisers. 4441 We saw him also for that terrorism briefing 4442 somewhere in the Old Executive Office Building, so our 4443 recollection is we saw him twice, but once at a fund-raiser, 4444 once at a terrorism briefing. If Colonel North was at the 4445 second briefing, neither my father or I can recall that.

4446 ٥ Was that primarily for you, the terrorism briefing?

4447 Yes, that was for us.

4437 | Hay Adams: is that correct?

Do you remember when that occurred? 4448 Q

4449 In the documents we submitted, we had a transcript 4450 for a terrorism film and it is awfully close to the date on 4451 that document.

I don't have it handy so whatever the date on the 4452 4453 document reflects -- I think Ron Wilner, who did the script,

4454 did it a week after that meeting.

4455 Could it have been January 11, 1986? Q

4456 A Possibly. I remember it was cold.

4457 If you would look at Exhibit No. 4, on April 3,

1986, there is a commercial No. 86-430 entitled ''Throw 4458

Money." On that page at the bottom there is some 4459

4460 handwriting.

4461 Is that your handwriting?



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4470

4471

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4462 . A Yes, it is.

4463 . Q Do you recall why you were calling Rich Miller in 4464 relation to this particular ad? If that is what that

4465 handwriting indicates?

4466 . A I can't recall why it is on there. Possibly I
4467 called Rich Miller at Spitz Channell's instruction or
4468 someone else in the organization just to read the spots to
4469 him.

. Q Do you know what the other phone number there, 980-2019, is?

4472 . A Ko. Let's call it. I don't know. Let's call and 4473 see what we get.

4474 . Q Did you feel there was any problem with this ad in 4475 terms of whether or not the Mational Endowment for the 4476 Preservation of Liberty, which was a 501(c)(3) could run 4477 this ad?

4478 . A We didn't even think about that.

4479 . Q Well, the reason I ask is because this seems to be
4480 the only ad that is directed against Democrats and it says,
4481 ''Look what some Democrats in Washington are putting out.
4482 When are those Democrats going to earn? The Communists in

4482 When are those Democrats going to earn? The Communists in 4483 Micaragua don't want our money. They want us.''

4484 . Was there discussion about whether or not this
4485 might be going over the line of public education tactics
4486 because of the text?

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PAGE 4487 SCOTT: think he has made it clear 4488 that he didn't understand at the time that it was a tax-4489 exempt organization. 4490 The question infers he had some knowledge. I think 4491 he has testified to the fact that he didn't have. I just 4492 object to the form of the question. 4493 BY MR. OLIVER: 4494 Is it your testimony that you did not know that 4495 these ads that Spitz Channell was running were paid for by 4496 tax-deductible money in 1986? 4497 Those ads funded by the National Endowment--4498 Any ads --4499 We weren't aware of the tax-exempt status or lack 4500 thereof of any of the organizations. 4501 MR. OLIVER: Thank you very much, Mr. Goodman. I 4502 have no further questions. 4503 MR. FRYMAN: No further questions. 4504 MR. SCOTT: We want to take a break and talk with 4505 him for a few minutes. 4506 [Brief recess.] 4507 MR. SCHWAIT: We had a discussion off the record 4508 with respect to whether we appeared voluntarily or by

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like the racord to reflect that we have appeared

subpoena and we have had a chance to confer with Mr. Goodman

and we have decided not to ask for a subpoena, and we would

4509

NAME: HTR257000 PAGE 184 4512 voluntarily. 4513 In fact, in July, we appeared voluntarily for an 4514 interview, also voluntarily made certain documents 4515 available, to counsel for the committee and again appear 4516 voluntarily today. We will waive any right that we might have under 4517 4518 the committee's rules and the resolution to a subpoena.

4519 MR. FRYMAN: Off the record.

4520 [Discussion off the record.]

MR. SCHWAIT: Back on the record. 4521

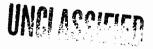
4522 The voluntary document production that was referred 4523 to about not relating to the original document production which was in compliance with a subpoena, but related to the 4524 4525 list of clients that the Goodman Agency had for a designated time period, which was voluntarily produced. 4526

MR. FRYMAX: I agree with the statements that 4527 counsel for Mr. Goodman has made and on behalf of the 4528 4529 committee we state that we appreciate the cooperation that 4530 has been shown in our investigation.

MR. SCHWAIT: Thank you. 4531

[Whereupon, at 5:50 p.m., the taking of the 4532

4533 deposition concluded.]



Stenographic Transcript of HSITS - 144 /87

HEARINGS

Before the

COPY NO 2 COPIES

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

DEPOSITION OF PAUL F. GORMAN

Wednesday, July 22, 1987



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Washington, D.C.



COPY NO.__OF___COPIES

1	DEPOSITION OF PAUL F. GORMAN
2	Wednesday, July 22, 1987
3	United States Senate
	Select Committee on Secret
5	Military Assistance to Iran
5	and the Nicaraguan Opposition
7	Washington, D. C.
3	Deposition of PAUL F. GORMAN, called as a
•	witness by counsel for the Select Committee, at the
)	offices of the Select Committee, Room SH-901, Hart Senate
L	Office Building, Washington, D. C., commencing at 9:08
2	a.m., the witness having been duly sworn by MICHAL ANN
3	SCHAFER, a Notary Public in and for the District of
•	Columbia, and the testimony being taken down by Stenomask
5	by MICHAL ANN SCHAFER and transcribed under her
5	direction.

1	APPEARANCES:
2	On behalf of the Senate Select Committee on Secret
3	Military Assistance to Iran and the Nicaraguan
4	Opposition:
5	JOHN SAXON, ESQ.
6	On behalf of the House Select Committee to
7	Investigate Covert Arms Transactions with Iran:
8	JOSEPH SABA, ESQ.
9	ROBERT GENZMAN, ESQ.
.0	ROGER KREUGER
1	On behalf of the Department of the Army:
.2	ROBERT WINCHESTER, ESQ.
.3	Special Assistant to the Secretary of the Army
.4	for Legislative Affairs
=	COLONEL JOHN WALLACE

CONTENTS EXAMINATION ON BEHALF OF SENATE HOUSE WITNESS Paul F. Gorman By Mr. Saba By Mr. Saxon EXHIBITS GORMAN EXHIBIT NUMBER FOR IDENTIFICATION

1	<u>E</u>	X H I B I T S (Continued)
2	GORMAN EXHIBIT NUMBER	FOR IDENTIFICATION
3	10	66
4	11	68
5	12	73
6	13	80
7	14	84
8	15	88
9	16	90
10	17	96

1

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2	Whereupon,
3	PAUL F. GORMAN,
4	called as a witness and having been duly sworn by the
5	Notary Public, was examined and testified as follows:
6	EXAMINATION
7	BY MR. SABA:
8	Q Sir, would you please state your full name and
9	address for the record?
10	A I'm Paul F. Gorman. My address is
ر ا ا ا ا ا ا ا ا ا ا ا ا ا ا ا ا ا ا ا	Afton, Virginia 22920.
æ 12	Q And can you please tell us what your present
13	occupation is?
14	A I am presently a farmer. I have a small
15	vineyard and I rent pasture for cattle production.
16	Q When did you retire from the United States
17	Army?
18	A I was retired on the first of May of 1985.
19	Q And since the first of May, 1985, have you
20	been employed in any other occupation other than as a
21	private farmer?
22	
23	President's Commission on Organized Crime, as a member of
24	the President's Blue Ribbon Commission on Defense
25	Management, and I am presently serving as a consultant to

Partially Declassified/Released on Archive College Under provisions of E.O. 12356
by D. Sirko, National Security Council

-	Cite Committee out thresholder Tould-Lerm pergessi.
2	Q In regards to your duties as a consultant on
3	organized crime, in a general way can you describe your
4	duties there?
5	A Yes. I was asked to advise the Commission on
6	international narcotics trafficking, particularly that
7	which stemmed from Latin America. I wrote a report for
8	them.
9	Q And can you tell us, is this report
LO	classified?
1	A No, sir. It's been published as a part of the
.2	report of the Commission on Narcotics Abuse and
.3	Trafficking. The report is entitled, as I recall it,
L 4	"America's Habit". It's an unclassified volume available
.5	from the Government Printing Office.
.6	Q Do you recall when it was printed?
.7	A March of 1986.
.8	Q In connection with your duties as a consultant
.9	on organized crime, did you have occasion to look at the
10	various drug-related activities in Central America and
21	I will geographically limit myself to those countries
22	north of Columbia and south of Mexico Panama, Costa
23	Rica, El Salvador, Honduras, Nicaragua?
24	A I'm trying to think. Among the subjects that
25	I dealt with were the activities of an American pilot
	111141.4444

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then in the custody of, I guess, Florida prison authorities by the name of Seale. Mr. Seale had made several flights into and out of Nicaraqua while I was the commander-in-chief in Panama, and I was provided an opportunity to look at his testimony and to meet with him and interrogate him.

But, aside from that, that was the only specific instance I can recall dealing with, related geographically to the area of your discussion. Mr. Seale, of course, made over 500 flights carrying cocaine into and out of the region. In general most of those, all but a few of them, were into the northern coast of South America, Columbia specifically.

What was Mr. Seale's connection in Nicaragua?

When the Columbian authorities began to exert effective pressure on the drug cartels, decisions were made at the highest levels within the cartels to move their operations, at least temporarily, out of Columbia. One of the principal operators, a man by the name of Ochoa, who is a sometime associate of Carlos Leda Rivas, who subsequently was extradited to the United States, but Mr. Ochoa decided, apparently, to put an operation into Nicaraqua, and with the assistance of a number of individuals in Europe and Cuba a drug processing facility was established. To the best of our knowledge and

 belief, that facility is located in an airfield north and west of Managua, an airfield operated by the Ministry of the Interior in Nicaragua.

Mr. Seale was retained by the Ochoa interests to convey into Nicaragua European experts in drug processing, equipment for this facility and to bring out cocaine hydrochloride for sale in the United States. You may know this story, but it's worth repeating.

Apparently due to poor coordination between the Ministry of the Interior and the Ministry of Defense Mr. Seale was shot down over Managua. As he was taking off from this one airfield he overflew the air defenses of Managua International and the anti-aircraft guns cut loose, hit his airplane. He had to reland. The plane was rendered ineffective.

So they bought him an airline ticket, gave him some money, and told him to go north and get another airplane, which he did. But apparently on that trip — as far as I know on that trip — he was picked up by DEA agents, turned and sent back in — the time frame of this would be like June of 1984 — with an aircraft which had been equipped with cameras, and this aircraft returned laden with drugs and with film which showed Ochoa personally and an individual who is the personal assistant to the Minister of Interior in Managua, and a

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number of uniformed persons wearing the uniform of the Ministry of the Interior loading the aircraft.

And all of this was introduced in evidence in the Federal Court in Miami. This was a matter of some interest to me because I had been seeing those events from the outside. As the CINC, I knew about the anti-aircraft incidents. We were very puzzled as to what the hell was going on there. We knew they went in a full alert, that the Cuban-managed air defense system went bananas one night, and we were at a loss to figure out what in the world was going on down there.

And, of course, I was quite interested to discover this stream of events that I have just described to you.

Q Is this operation continuing at the present?

A Mr. Seale was machine-gunned to death on the streets of Baton Rouge, Louisiana. This was after the Commission had disbanded. And I don't know the story about that. I do know that extradition proceedings had been initiated for Mr. Ochoa, who was then in Spain, and the Spanish had been delaying the extradition pending the vote on Spain's role in NATO, and the principal witness in this extradition proceeding was Mr. Seale. My conclusion, unsupported by any information, is that Mr. Ochoa just eliminated his principal witness. The

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extradition certainly never took place.

2	Q In the examination of the drug traffic, did
3	you come upon any evidence that any of the leadership of
4	any of the various Nicaraguan resistance forces was
5	involved in buying or selling of drugs?
6	A There isn't much hard evidence on any of this
7	certainly nothing that you could produce in a Federal
8	court of the sort that I just described film,
9	witnesses, et cetera. But everything I know from human
10	intelligence would suggest that
11	anybody that was in the game of subversion down there was
12	in one way or another involved with drugs.
13	There can be little doubt, for example, on the
14	basis of what I have heard from
15	that the Nicaraguan resistance groups
16	turned very broadly to marijuana cultivation and sales
17	when U.S. support for them was attenuated. I don't know
18	anything specifically about the grant resistance
19	groups, but I would be very surprised if, knowing the
20	state of discipline in that group, that some of those
21	people weren't also involved in one way or another at
22	various levels with the drug racket.
33	guerrillas grow and sell
24	marijuana on a relatively small scale just sort of a
25	pocket change kind of operation, largely local.
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	Q	Do	you	know	if	any	of	these	group	s, 1	whether	ir
		r	orti	hern	fro	nt, :	sout	thern	front,	are	a invol	ved
in	cocaine	or	othe	ar dr	uas	oth	er 1	han m	arijua	na?		

A No. The big-time stuff, the cocaine, the stuff that's largely dependent on the airlines and communications going through there, is a Columbian-managed operation and aside from some Costa Rican shippers -- referring now to freight forwarders who would be handling through, for example, sealed containers -- there is little evidence to suggest that the Central Americans were much involved in the cocaine traffic.

Now the single exception to that is this operation in Managua. I don't know of any other evidence -- none was provided to me; I knew of none when I was CINC, and I was not given any when I was working for the Commission on Organized Crime -- that would suggest that the Central Americans themselves were in the racket big-

But again I go back to the point that if you have an intention, whether you are on the right or on the left down there, to be involved in violent activities, the easy way to get into them, to fund them, to get the information, the people, the guns, the people who are willing to commit murder, you deal in drugs because that's just a convenient way to put yourself in touch

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	with unscrupulous and violent people.
	Q I take it, General, you are familiar, or are
	you familiar with the resupply effort which was managed
	and supervised primarily by General Secord from his
	northern Virginia office, beginning in late '84 and
	continuing until November of 1986?
	A The only thing I know about that operation
	I've read in the newspapers as a part of this hearing.
	Certainly while I was in command I had no information
,44	which would have led me to believe that there was such a
	operation under way in Central America.
	Q I do want to get into some of that in a
	different way in a little bit.
	MR. SAXON: Joe, are you ready to leave the
	drug topic?
	MR. SABA: No. That's really where I'm still
	at.
	BY MR. SABA: (Resuming)
	Q I want to get into the other things a little
	bit later. As you know, sir, Mr. Hasenfus was shot down
	in October of '86 and prior to that there were several
	flights, in excess of 15, let's say, in 1986 involved in
	resupply of the contras or in the movement of contra
	supplies. Many of those flights left Central America fo

other points and there have been allegations that those

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planes, empty on their return, may or may not have carried drugs.

Do you have any information on that?

A I would be surprised if that had not occurred to the operators. But again I was given no information at all by the Commission on anything relating to that. Suffice to say we knew that there was a lot of air activity into and out of Nicaragua for which there was no ostensible explanation. There were no flight fillings, no normal flight following or even sort of courtesy calls associated with these flights. They were frequently furtive in behavior. There was a lot of that kind of activity.

I was certainly aware that the contras, the Nicaraguan resistance, had aircraft and conducted resupply inside of Nicaragua. We did see a certain amount of that activity

What period of time are you talking about -when you were serving as a consultant to the crime
commission?

A No. I'm back in command now. I got nothing as a consultant other than this Seale case. And the principal interest in Mr. Seale was his Columbian operations. This Nicaraguan thing was a very small

subset of some 500-some-odd.

Q So just to get the time frames correct, in your capacity as a consultant you were looking primarily at Mr. Seale and some other matters. When we are discussing matters in and out of Nicaragua you are basing your information primarily on what you had during the time you were either in command in Panama or prior to the period when you retired from the service?

A No. That was the one case where Mr. Seale's story explained to me a whole raft of phenomena that I had been aware of as the CINC for which I had no previous explanation.

Q I see.

A So that was the only case where I could sort of fit together the two undertakings.

Q I didn't want to interrupt you. I just wanted to get it clear what time. You said that you were aware that the contras had aircraft which were in and out. There were no flight filings, no courtesy calls. What period are you referring to in time?

A Generally speaking, from 1983, when I took command, until I left command. There was always some kind of mysterious air activity into and out of Nicaragua, one explanation of which would have been, you know, given the places from which the aircraft were

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detected to where they were apparently leaving going would suggest to us that it was related to rebel resupply. UNCLASSIFIED

PAGES 16 AND 17

DENIED IN TOTAL



Q Do you know of any connection between the Central American drug matters and the death of a gentleman by the name of Carr in Los Angeles?

A No.

MR. SABA: John?

BY MR. SAXON:

	NP ACCIFIED 19
1	Q Let me ask you first about
2	in the course of your knowing generally about him and
3	I understand you say that's fairly limited did you
4	ever hear his name in connection with Swiss bank
5	accounts, General Secord, the Secord operation, et
6	cetera?
7	A No. I want to be very clear from my earlier
8	remark I meant to say that I never associated Dick Second
9	with my area of operation, never.
10	Q With your region of the world SOUTHCOM?
11	A Yes. As far as I know, Dick was a Middle
12	Eastern-Iranian person, and I never heard his name in
13	connection with anything in Central America. I certainly
14	would not have connected Dick Second with this guy
15	
16	
17	
18	
19	
20	
21	
22	A
23	Did you ever gain any information or see any
24	evidence, hard or otherwise, connecting the Acoa family
25	with an effort to pay Mr. Calero \$1 million to have
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Ampassador	Tamps	assassinated	ir You	may	nave	nard	those
allegations	в.						

A Yeah, I think Lew Tambs is my principal source. No, other than recently, and I think it was Lew who told me all of it. I knew while I was in command that there had been threats directed at Ambassador Tambs in Columbia, and I had reason to believe from my own sources that that was kind of serious stuff. I mean, we took what we were getting very seriously. I had people in the Columbian security service approach me and tell me that they regarded all of this as very serious and that we needed to take precautions with the Ambassador and with other senior U.S. officials at the time.

This was, of course, in the context in 1984 of the death of Lara and the Minister of Justice in Bogota, the passage of the law of May 1984 which declared, in effect, martial law, a state of emergency, assigned the drug business to the Minister of Defense, and I was asked to come down to talk to the Minister of Defense about what do you do about all of this. My advice was get a lawyer.

MR. KREUZER: Was that when they brought out the tanks? If I recall, there was some gunplay in the streets.

THE WITNESS: You are referring, I think, to

the attack on the Supreme Court, which would have been in the fall of '85. This was after that.

MR. KREUZER: So this was before that?

THE WITNESS: This was back in 1984. It was kind of a querulous time in Columbian history. President Betancur really bet his political future that he could do two things -- one, bring about a ceasefire with the



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system.

UNCLASSIFIFT 22 Shortly thereafter you have Carlos Rivas talking about raising an army of a million Columbian youth to attack the government and Americans wherever they could be found, et cetera, culminating, of course, in that shootup of the Supreme Court in which something like 70-odd people were killed -- all of the Justices and so on. MR. KREUZER: Where are we today as far as the Columbian government policies toward the drug trade? THE WITNESS: Of course I have been out of the net for a long time. I have not talked with the U.S. Ambassador or with any of the Columbians involved, but from what I can read in the paper I would say that things have reached a fairly desperate condition down there. They have, you know, declared the extradition law under which Carlos Rivas was brought to the United States as

The judges, of course, many -- you know, being a judge in Columbia is not a good combination for an insurance policy these days.

MR. KREUZER: Sort of like being a Marine

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unconstitutional and there is about to be a major

confrontation between the legislature and the judicial



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	BY MR. SAXON: (Sesusing)
Q	General, let me go back to Ambassador Tambs
make s	sure I understand your answer to my question. I
d you	say that there were reliable sources to suggest
ssador	Tambs might have some serious threats on his
•	
A	When he was the Ambassador in Bogota.
Q	But not at the time when he moved to Costa
?	
A	I, of course, can't testify to that. I simply
what	he's told me about that.
Q	So I take that to be a no as to my question as
hether	you had any hard evidence.
A	That is a no.
	MR. SAXON: That's all I've got on this, Joe.
	BY MR. SABA: (Resuming)
Q	Let's leave drugs, though it makes Miami Vice
d tame).
	General, since leaving the military in May of
how m	such contact have you had with Colonel North?
intere	sted in contacts, the purpose of the contacts.
λ	Sporadic, periodic. When I was working on the
ard Co	mmission, of course, the Commission meets over
	HEROPETON
	make s d you ssador . A Q ? A what Q hether A

there in Lafayette Square in that down townhouse, so we were down in the vicinity of the White House, and I would from time to time stop by and have a cup of coffee and shoot the breeze with Oliver or Fawn Hall.

He was perplexed at my testimony up here, which put the prospects of the Nicaraguan resistance succeeding as dim at best.

Q For the record, when was that testimony?

A Oh, let's see. I was asked to come back in June of 1985 to testify before the Senate Appropriations Committee. All of that testimony had to do largely with the drug business, but, of course, any time I've been up here it's turned out to be a hearing on the contras. You know, you go up to testify on one thing, and you end up testifying on another. But we got into the contra business, as I recall it, then.

Then there was a hearing. It was the Democratic Caucus held a breakfast, December of '85, somewhere in that time frame. And at the breakfast Lee Hamilton and I and Tony Motley -- I think those were the principal speakers -- talked to the people at the breakfast about the situation in Central America. We each made a little prepared speech and then there was a series of questions. And in that go-round I was somewhat negative about all of that.



That is associated in my mind, and I'm not clear on the timing here, but I think it was in the summer, but it's associated in my mind with a meeting over in the House on the Nicaraguan resistance movement in general -- not the contras specifically but all opposition to the Sandinistas -- and they had people from La Prensa and the labor unions and the political parties, and Bishop Pablo Vegas, the Bishop of Managua, who was here. And he made what I thought was a set of fairly interesting statements which eventually got his papers pulled by the Sandinistas and a protest from the Vatican.

But the point is that whenever that took place what I was saying in those days was that I did not see in the Nicaraguan resistance a combination of forces that could lead to the overthrow of the government or the unseating of the Sandinistas. To the contrary, the lack of political — a unifying political aegis for this movement, the fact that all of these people were apparently objecting to the Sandinistas but they had no common cause.

There were, instead, the cause of the Church and the cause of the labor unions and the cause of the free press, and these guys running around in the hills in the north weren't associated with it. There was apparently no connection between people inside of

Nicaragua's populated areas who were in opposition to the Sandinistas and the people who were on the outside with guns, and, to the best of my knowledge at the time I left office, no intelligence apparatus serving the contras inside of Nicaragua -- in short, none of the manifestations of a resistance movement that could be turned into political capital.

Further, the training of the contras was, when I last saw them in 1985, abysmal -- no leaders, largely illiterate, ignorant campesinos. I didn't regard them as a very effective military organization, based on what I could see in reflections of battles, in communications on both sides. The Sandinistas could wipe them out.

MR. KREUZER: Sir, how did this body with no unifying cause come together to be injected into Nicaragua or to move into Nicaragua? What is the driving force?

THE WITNESS: I'd say three things about that. The first thing is, of course, there have always been people in the hills with guns opposed to the government in Managua, no matter who that government was. The second thing you've got to say is that the Nicaraguans were really stirred by the revolution of 1979 and many Nicaraguans believed or have since come to believe that that Nicaraguan revolution which threw out Somoza was

betrayed by the Sandinista directorate.

And the third thing you've got to say is the fact that it has been possible to recruit Nicaraguans for these various groups indicates that it's something that is indigenous. That is to say there is enough sentiment, fire, concern on the part of the Nicaraguans to lead people to put their lives and their families on the line for the cause. But you have to say then that no Nicaraguan leader has come forward to take advantage of this sentiment. There is very evident anti-Sandinista fervor.

But, to get back to the point, Oliver was terribly concerned about my attitude, and he knew that I was traveling up here on the Hill and in other circles where I was being asked to comment on the prospects of these people. Throughout the time that I was on the Packard Commission I was up here repeatedly dealing with the Senate Armed Services Committee on what became the Nunn-Goldwater bill, that whole package of legislation. And at most of those meetings we would eventually end up in a discussion of Central America and the contras.

BY MR. SABA: (Resuming)

Q And I take it Colonel North, who had been your friend, was your friend, was not pleased with the position you were taking?

 A No. And he was trying to convince me that, boy, there's a lot going for them. You know, he would keep citing statistics on how their recruiting was going and what they were doing. He had pictures in his office that he would show me of well-equipped, armed bands that he said were taken down in the middle of Nicaragua. And I kept telling him, yeah, Oliver, but the day that, you know, some Nicaraguan unity group appears and it's evident that it's got everybody in it, from the guys who are running the FDN to the Indians to the people in Costa Rica, that's the day I'll begin to believe that this thing has a future.

Q Do you recall a briefing that Colonel North might have provided to you in May of '86?

A No. These were all very casual sort of things, and I don't know -- well, you must know from seeing the telephone records. I mean, this guy always had a telephone growing out of his ear, and most of my calls over there I spent more time talking to Fawn than I did to Ollie because he was usually called away by a phone call or something -- very hard to talk to.

Q I'll tell you why I mentioned that. There exists in the records notes apparently initiated from Admiral Poindexter to North suggesting that he work you into a briefing in May of 1986 about, I think his words

were, about Central America, is the way he phrased it in the suggestion to Colonel North. And following that suggestion Colonel North's records -- of course, there are quite a few phone calls to you that would have preceded your briefings on the Hill and the various events through the rest of '86.

A There was some newspaper story -- and it may be that I've got this wrong, but I think I made a speech over at the National Defense University which was reported in the Washington Post, and Oliver that spring got very exercised because in it I said unless and until we build a guerrilla force down there, we are not going to get anywhere with any sums of money that we are putting into them.

And, of course, at that point in time there was a lot of speculation about how long and how much money was it going to take, and I kept saying, boy, you're talking about two indeterminates. I can't see any amount of money or any amount of time, given the present set of conditions, that would be efficacious. There has got to be some fundamental change. I said that over at NDU. Oliver got very exercised about that and called me and said would you try to put together an op ed piece.

So I tried my hand at an op ed piece, which he allegedly was going to get placed in the Washington Post.

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2	displeased him. But there never was any discussion of a
3	briefing, and I don't know what John was saying.
4	MR. SAXON: I take it that you never saw a
5	slide show?
6	THE WITNESS: No.
7	BY MR. SABA: (Resuming)
8	Q Did he discuss with you and I'm still
9	focused on the period after your retirement did he
10	discuss with you specifics about the funding for the
11	contras, the resupply effort, how he was doing matters,
12	where the money was coming from?
13	A No.
14	Q How much money?
15	A No.
16	Q Any of those factors. Didn't you ask him how
17	are you keeping this going, knowing that obviously U.S.
18	money was drying up?
19	A Look, it was very clear to me that Oliver
20	North then, as he had been in all of the time previous,
21	was in touch with, fairly frequently, members of the
22	Nicaraguan resistance. It was very clear to me that
23	Oliver had:a thing about the contras. He intensely
24	believed in them, and he was deeply concerned about their
25	public image. And it was also very clear to me he saw me

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-	and a problem in some set and august, and a change
2	he was just doing his damnedest to get me to shut up
3	old General, put a cork in it.
4	But beyond that we never discussed anything
5	about these rat lines and all that stuff, no. I didn't
6	know anything about it.
7	Q Did he ask you, after your retirement, to do
8	anything on behalf of the contras?
9	A No. Now I had been approached by all kinds of
10	odd characters, but I, of course, we probably get two
11	or three calls a week down there from various people who
12	want me to interest myself in this or that or another
13	movement, and I have just refused to have anything to do
14	with that stuff.
15	Q Some of these questions are not to imply
16	anything on my part but questions I feel I should ask.
17	During the period following your return, did you have any
18	dealings, business or otherwise, with General Secord?
19	λ No.
20	Q Former Colonel Dutton?
21	A (Nods in the negative.)
22	Q Richard Gadd?
23	A No. Until I saw the names in the paper, other
•	than Dick. I doubt know anything. New Tidid was into

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Dick over in the Executive Office Building on two

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1	occasions that I can recall in the hall. I mean, we just
2	stopped and said hello.
3	Q I'm pursuing a business relationship.
4	A No. But again at the time I associated Dick
5	wholly with the Middle East and the fact that he was in
6	there didn't surprise me at all because he's one of the
7	putative experts on Iran.
8	Q After your retirement did you have any
9	contacts with Richard Armitage, Assistant Secretary?
10	A No.
11	Q Noel Roch?
12	A The only occasion that I had any dealings with
13	those two gents was at the conference staged by the
14	SecDef and SecState over at NDU on low intensity
15	conflict, at which Koch and Armitage were speakers. I
16	was also a speaker, a participant.
17	MR. SAXON: That would have been February of
18	'86?
19	THE WITNESS: More like January.
20	BY MR. SABA: (Resuming)
21	Q Late January-February of '86. How about
22	Elliott Abrams? And again I'm only looking at the period
23	in your retirement, not prior.
24	A The first time I met Elliott was at that
25	meeting in North's office on the subject of
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	and I	did	not then	talk to	
Elliott again until this	year,	and	it would	be like	a
couple of months ago.					

Dick Shaden, Colonel Dick Shaden, from my staff in Panama came home and was assigned to Elliott Abrams' office and it occurred to Dick that it would be useful, since Abrams and I had never met and never talked, to bring us together, and on two occasions I went over and had breakfast at the State Department, then went up and spent 20 or 30 minutes with Abrams talking about—well, one conference was on the future of the Panama Canal, what do you do about that. And the other one was on the Central American issue — Nicaragua, what do you do about all of that?

That was this year, though.

Q 1987?

λ Yes.

MR. SAXON: When you said

THE WITNESS: Yes.

BY MR. SABA: (Resuming)

Q After your retirement were you approached by anyone to engage in fundraising on behalf of any of the resistance forces?

A I don't know. I was approached by some



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Nobody ever suggested that I would strange characters. 1 be involved in fundraising, but it was clear that I was 2 3 expected to go to meetings and speak and, you know, I would always ask, of course, what organization is this. And you'd get these Friends of Democracy and Freedom in Central America or something like that, and I'd say no thank you. I'm too busy. Were any of the people who approached you employees of the U.S. Government? 9 10 No. And I'd be at a loss now to remember 11 their names. 12 MR. SAXON: Senator Rudman would say you were 13 asked to be part of the first punch of the one-two punch. 14 BY MR. SABA: (Resuming) 15 The semantics of this are getting very refined. In fact, did you participate in any sessions in which the topic was to generate support of any kind, 17 public support? 18 19 Not to my knowledge, and I'm sure Oliver's 20 notes would reflect that his concern was that I was over 21 talking to groups like the Democratic Caucus or the opposite kind of thing. 22 MR. SAXON: The enemy. 23 BY MR. SABA: (Resuming) 24

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Just so I can close this section out, did

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1	Colonel North or anyone from the MSC staff make any
2	request of you to participate in meetings intended to
3	generate private support for the contras?
4	A No.
5	Q And in asking that question I'll move all the
6	way back at any time, including the period that you
7	were still in the military.
8	A No. No. After leaving office I had one
9	meeting with Bud McFarlane. I don't ever recall meeting
10	with John Poindexter, but I did talk to John on the
11	telephone on But in the meeting
12	with McFarlane the conversation was all sort of on the
13	general policy of the United States. It was not
14	directed. There was no mention of raising funds for
15	anybody. Indeed, I don't recall McFarlane worrying about
16	the Nicaraguan resistance.
17	What he was concerned with is the
18	and the How did I see all of that going
19	down?
20	Q I'd like to turn now to the period after you
21	returned from your SOUTHCOM command, roughly January
22	1985.
23	A The end of February. I spent March and April
24	in town here and then went down to the farm in May.
25	Q During that period, what were your duties?

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A I was assigned to the Office of the Chief of Staff and I busied myself, generally speaking, with three sets of propositions. One was getting myself out of the Army, going through the physicals, getting my security debriefs, and all of that kind of business. That took, obviously, not very much time.

Secondly, I had a series of speechmaking undertakinge that I had agreed to before I left office, and I honored those, and those trips, as I recall, for example, one was the American Bar Association meeting down in Orlando, Florida. It was kind of a nice thing to get involved in. We'd never been down to Orlando before. It was during the March time frame, as you may know, of the annual West Point dinners around the country, and I think I spoke at maybe four of those — one on the West Coast and three here on the East Coast. I was doing a lot of that kind of traveling.

The third thing I was, of course, doing my utmost to help Jack Galvin get started right. I had a number of meetings with him and with some of his key staff officers about various plans and programs that we had under way.

Q During this time, General, as you may recall-and I'll help you with some notes -- you had quite a few meetings, actually, with Colonel North and others, the



which -- was the anti-Nicaraguan resistance forces.

 of 18 March.

subject of which in many cases -- the apparent subject of

What I'd like to do is show you some of
Colonel North's notes and ask you if you recall the
subject of those discussions and what they were. The
first one, which will be Exhibit 1, is Colonel North's
notes for the 18th of March 1985. In the event you are
unfamiliar with these notes, in addition to his prolific
PROFs notes and in addition to a rather detailed
telephone and calendar log, Colonel North also kept in
stenographic notebooks notes of his meetings, telephone
conversations and various events that were of importance
to him over a period of time.
MR. KREUZER: We just don't know where he got
the time to talk on the phone.
THE WITNESS: He worked until 9:00 at night.
BY MR. SABA: (Resuming)
Q In order to help you, I'm going to show you a
number of these. I'm going to move backwards

chronologically. The first one is 18 March of 1985, and

Let me show you what will be Exhibit 1, a note

I'll start moving back, which will then take you back

into the period in which you were in command.

(The document referred to was



39

1	marked Gorman Exhibit Number 1
2	for identification.)
3	As you notice, at the bottom of the page there
4	is a reference to 1345, presumably a time reference, and
5	there is a comment: "Gates-Gorman briefing."
6	A My memory of that was an appearance by Robert
7	Gates, who was the Deputy Director for Intelligence at
8	CIA, and myself before the Senate Foreign Relations
9	Committee. The subject was Central America. It was a
0	hearing that had originally been set up for January and,
1	as I recall, postponed because of the Senate calendar
2	until March. And Bob went up and talked to the
3	intelligence picture and I then commented on the military
4	situation and then we answered questions.
5	I think that this is a reference to that, and
6	I don't know what the entry 1345 is, and I can't read
7	this stuff over here. I don't know what that means 14
8	National.
9	Q I can't either. Just under the reference to
0	Foreign Relations hearing there's a little bullet that
1	what to who on" and then it looks like
2	connection". Do you know what that is a
3	reference to?
4	λ -
5	Q Yes. perhaps.

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I can remember Oliver being very unhappy with me because I refused to be optimistic about the prospects for the resistance. But there was no discussion of how they were being supported or anything else.

- Q During this period of time, sir -- and I will leave that exhibit -- during this period of time what was your relationship to Admiral Moreau?
- A A close friend, colleague. Of course, you know, Art was my successor. He took over my office and he and I both served General Jack Vessey. I would say that during the period that I was in office I talked with one or the other of those gentlemen every day in one way or another. During this period Art had been down to Central America. He went down with a group of people helping to get the new CINC revved up on what had gone in the past, and I would drop by his office from time to time just to answer questions about various odds and ends.
- Q Did he keep himself fairly well informed about the Nicaraguan resistance movement?
- A Hey. The Nicaraguan resistance movement was very peripheral to our concerns, and I don't recall talking about the Nicaraguan resistance with Art except as a kind of a general factor in a strategic equation, the primary parameters of which were the stability of the



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2	Q I'd like to show you another note from Colone
3	North. This one concerns Admiral Moreau and I have
4	underlined the area I'm interested in, and that will be
5	Exhibit 2. It is an entry for the 15th of March.
6	(The document referred to was
7	marked Gorman Exhibit Number 2
8	for identification.)
9	The reference I'm interested in is under the
10	name Moreau. The second bullet says: "Third country:",
11	and then there's a quote: "We don't intend that our
12	money be used for refugees. Use it. " Do you have any
13	knowledge of the subject matter for that entry?
14	A No, I certainly don't.
15	Q Do you know if Admiral Moreau was aware of the
16	third country funding, the uses of that money in
17	connection with Nicaragua?
18	A If he was, he certainly never mentioned it to
19	me. It just never came up.
20	Q Let me show you another one, and perhaps you
21	could help with this. This is an entry for March 6, and
22	I'm interested in the second set of bullets and the
23	reference is "call from Admiral Moreau re C/JCS trip to
24	но
25	(The document referred to was

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1	marked Gorman Exhibit Number 3
2	for identification.)
3	There are several bullets under there and
4	perhaps you might be able to provide us some information
5	The first says "intelligence for resistance."
6	A I mentioned that Art had been down to Central
7	America. I'm trying to think whether that was in
8	reference to the Chairman. I don't think the Chairman
9	went down. Yes, the Chairman went down for the change of
10	command. That's what it was. Change of command was at
11	the end of February. The Chairman went down for the
12	change of command, and then he and Art went north and
13	stopped at Tegucigalpa and San Salvador, and I think
14	Guatemala City before going on back.
15	Q That's correct. And this call would appear t
16	be a briefing in short from Admiral Moreau to Colonel
17	North about that trip. Were you similarly briefed about
18	that trip?
19	A No. I was not. The entry "intelligence for
20	resistance" I would interpret to be some sort of
21	discussion of providing SOUTHCOM collection
22	intended ultimately for the
23	resistance, but I don't know what that's all about. I
24	don't know what that next word is.
25	Q The next reference is "Suazo meeting went

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well, but doesn't understand problems for U.S. Government*.

A Well, that's, of course, a reference to Suazo Cordoba, the President of Honduras. President Suazo had formed an affection for General Vessey and the two of them got together whenever they could. Either Suazo was up here or he was down there. And the problem for the



on in the U.S. Congress vis-a-vis the Boland Amendment, the cession of aid or the attenuation of aid, and I think that's probably what that's all about. But I don't recall Art briefing me on any of this.

Q So your recollection is that you were not briefed on Admiral Moreau's trip?

A No.

Q All right. I think I'll move on to the next paper and I will ask you to comment further.

A Incidentally, while we're on this one, it says "talked with Calero in Honduras." You know, if such a

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2	first. I never met with this guy, and John Negroponte,
3	the Ambassador, was always very careful to keep us apart,
4	keep the U.S. military separated from that whole
5	operation. So that surprises me.
6	Q But is it your testimony that you weren't
7	informed about such a meeting?
8	A That's my testimony.
9	Q Let me show you the next note I have, which is
0	the 4 March '85, and I have underlined the section.
1	(The document referred to was
2	marked Gorman Exhibit Number 4
3	for identification.)
4	A There is another entry up top that brings up
5	another occasion that grieved Ollie, and that was the
6	Naval Institute seminar up at Newport. Bud McFarlane and
7	I and some other people talked to the problem in Central
8	America and Ollie was displeased with the bad marks I
9	gave the Nicaraguan resistance.
O .	Q This is a note from the same set of books
1	dated 4 March 85. In the beginning reference it says
2	"plan includes", and there is a reference to some
3	numbers, "third country support, CIA intelligence." And
4	there is a bullet "center the activity in WH", and the
	worth bullate to MDavil Cormon to dain R

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1	A Absolutely no suggestion of anything like that
2	ever made to me. I just don't know what it refers to
3	\$25 million to \$50 million, third country support, and
4	CIA intelligence. Is RCM Bud McFarlane?
5	Q Yes.
6	A No, never any discussion of that either with
7	McFarlane or North.
8	Q Would it refresh your recollection to know
9	that at this time there was
10	which covered the
11	period in which the Boland Amendment had cut off all
12	funding, which happened to be precisely in this time
13	frame?
14	A I can assure you that I never had any
15	discussions in any of my meetings with anybody
16	
17	MR. SAXON: Colonel North never mentioned we
18	were getting money contrast for the contras?
19	THE WITNESS: No.
20	MR. SAXON: Did Secretary Weinberger ever
21	mention that to you in that time frame?
22	THE WITNESS: No.
23	MR. SAXON: Mr. Armitage?
24	THE WITNESS: Never.
25	BY MR. SABA: (Resuming)
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4	1	,

1	Q Did Ollie discuss with you the fact that thi
2	money would be somehow administered out of the White
3	House?
4	A No.
5	Q Or was the CIA to provide intelligence?
6	A This is all completely new to me.
7	Q Why don't we move on, which in this case is
8	backwards?
9	MR. SAXON: You should know, General, that
10	that's how the House of Representatives feels easier
11	doing things.
12	MR. SABA: Backwards.
13	BY MR. SABA: (Resuming)
14	0
15	
16	This concerns our friend Falls Wentiques.
17	(The document referred to was
18	marked Gorman Exhibit Number
19	for identification.)
20	Why don't you take a look at this. I would
21	note that the hour is 10:30, and I had promised someone
22	else here a break at 10:30. This may be a bit of a
23	discussion and this may be as appropriate a time as any
24	(A brief recess was taken.)
25	BY MR. SABA: (Resuming)

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1	Q
2	I would ask you, General, if you might
3	comment for us on your knowledge of the role of Felix
4	Rodriguez. I understand that he first came to see you in
5	the summer of 1984 while you were in command.
6	A That was my memory at the time I talked with
7	you last time. I think I indicated that I was hazy about
8	that. I had him pegged to the election time frame, you
9	will recall
LO	
.1	The
L2	meeting any have been that initial go-
.3	around with Rodrigues down in my headquarters.
L 4	But at the same time
L5 ·	got a call from one of my Cuben friends suggesting that
L 6	Felix was going to be in Panama and I needed to meet with
L 7	Felix, to see Felix, let him tell me about what he had
L 8	been doing. And I did meet with Felix. Most of our
L 9	discussion was about where he had been, what he had been
20	doing. We talked a lot about his experiences in Vietnam,
21	where he was involved in air
22	mobile patrol operations, insurging patrols by
23	helicopters, and he thought that what he knew about this
24	would be directly useful in Salvador.

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I told him that if he went to Salvador he HNGLASSIFIED

coul	đ (expec	t noth	ning f	rom	SOUTHCOM,	that	we	simply	could
not	in	any	sense	offer	him	support	or co	pe	ration.	

Q Is this in respect to -- you mentioned what SOUTHCOM could do for him. Is this in respect to a program whereby we were providing certain assistance to the government of El Salvador in its internal problems, or is this in respect to activities in support of the Nicaraquan resistance?

A What he told me was that he thought that he could show the Salvadorans how to use their helicopters like he had shown the Vietnamese how to use helicopters for the purposes of conducting patrol operations against the guerrillas in El Salvador. At no time was there ever any communication from Felix to me about Nicaraguan or the resistance or anything else.

My understanding of this guy was that he was a retired officer who wanted to get involved in the war in El Salvador, and I had a deep aversion to volunteers, amateurs, screwing around with the Salvadorans. It's just bad news. And in particular at this point in time we were about to transition a group of Salvadoran commandos that were being used by the Salvadoran air force with particularly good effect to SOUTHCOM control, and I was very concerned lest this guy get in the middle of that and screw it up.

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3	told me that he could get an introduction
4	and what I told him then was, look, if you go
5	to Salvador, check in with the Ambassador. Do nothing
6	that the Ambassador does not approve of by way of getting
7	in touch with senior Salvadorans. But again what I want
8	to tell you, my friend, is that in any such contacts if
9	you are talking about military operations that's SOUTHCOM
10	business and SOUTHCON and you are just not going to be
11	associated, period.
12	Q Let me show you as the next exhibit one of
13	Ollie's notes, again dated 19 February, two weeks after
14	also concerning Mr. Rodriguez.
15	(The document referred to was
16	marked Gorman Exhibit Number 6
17	for identification.)
18	I don't think I underlined it this time in
19	yellow, but I refer to the notation on the bottom of the
20	page.
21	MR. SAXON: For the record, this was Oliver
22	North Exhibit 102 when Colonel North testified.
23	THE WITNESS: What does the entry say before
24	with General Gorman?
25	BY MR. SABA: (Resuming)
	for partifications

Q Discus	sion
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(Pause.)

A I don't know what the first line suggests. FR told us priority should be FDN. I never associated Felix Rodriguez with the FDN, period. Never discussed Felix Rodriguez, to my knowledge, with Ollie in any context related to the Nicaraguan resistance.

Q You can see the implication is that you didn't want him involved in SOUTHCOM's business. The guy shows up at your door and you are thinking I don't want him mucking up this transition and I am going to keep command of my force in El Salvador. Here he is with high level contacts; what do we do with him? And then the direction is, all right, you go and direct your activities with the FDN.

A I know that's what the note would suggest, but it's a mystery to me. I just don't. You know, again I'm quite confident that at no time was Felix Rodriguez ever suggested to me as somebody that had a tie with, a connection with or certainly, you know, that he ought to put his priority attention on the FDN. This business of the stage of transition to SOUTHCOM-run ops is true.

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Do you know what happened to Rodriguez, what he did? I don't know if you watched his testimony.

A No, I do not. I gather from newspaper reports that he became a principal in this air line of communication to the FDN.

Q And were you aware of any support provided to him in that capacity by Colonel Steele?

A No. In fact, as I think I told you before, my instructions to Jim Steele in the context of this thing

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was 1	to not	have	anythi	ng to	io with	the g	uy or	any	other
of th	nese vo	olunte	ers.	We had	had a	number	of th	lese	wild
west	types	yo	u know	, Fore	lgn Leg	ion ty	pes.	They	would
read	these	magaz	ines b	ack her	re in t	he Uni	ted St	ates	and
they	think	they	are go	ing to	go dow	n and	start	Worl	d War
III.									

They will walk into the Embassy and want to do this, that and the other. You know, show me where I've got to go. And occasionally they would pop up in the field and I think this is a reference to some of these people.

And I wanted to discourage that and I was talking to Ollie about this because I was concerned. I don't know whether I was up in Washington. I think I might have been up in Washington. This was toward the end.

I think I was testifying before the SASC about that time. But my concern was this White House connection, and I was trying to get him to turn it off, turn this guy down.

Q Did Ollie tell you anything about Mr.
Rodriguez' connections with Don Gregg of the Vice
President's office?

A No. I knew who Gregg was, but I had never met him and didn't meet him until within the past year in

connection with the Packard Commission.

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2	the Office of the Vice President to talk about his	
3	relationship with the Chairman.	
4	Q Did you brief General Galvin about Mr.	
5	Rodrigues and Colonel Steele's possible relationship to	
6	him?	
7	A No. What I did talk to Jack about was	
8	a number of Americans who had	
9	no official status and my concern over their activities.	
10	I don't recall specifically talking about Rodriguez.	
11	It's possible I did, but I do remember expressing to him	
.2	my worry that SOUTHCOM's operations were vulnerable to	
13	exposure through the intervention of these characters	
L 4	from up north.	
.5	And, of course, they had actually	
.6	been involved in shooting incidents with the Nicaraguans,	
.7	very dangerous kinds of sorts of undertakings.	
.8	Q Did Colonel North, in connection with this	
.9	discussion on February 19, did Colonel North tell you	
20	what Rodriguez would be doing?	
21	A No. No, he did not.	
22	Q Do you recall who initiated the discussion?	
3	A I'm sure I did, and I did it because Ollie was	
24	my person in the White House. I didn't know Gregg. I	
5	was concerned that the White House, you know, this guy	
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showing up with a White House backing seemed to me to be

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2	particularly disturbing. I was trying, I think, putting
3	a retrospective face on it, I think what I was trying to
4	do was to just clean it up for Jack Galvin so that he
5	wouldn't have to deal with this.
6	Q Did North tell you that he had or he would be
7	providing means of secure communications to Rodriguez?
8	A Absolutely not.
9	Q Did he ask you or tell you that he expected or
10	intended that Colonel Steele would also receive that same
11	means of communication and be involved?
12	A Had I known that I would have raised hell.
13	MR. SABA: I think Mr. Saxon has some
14	questions also on this topic.
15	BY MR. SAXON: (Resuming)
16	Q First, General, let me make sure I understand
17	what your testimony is thus far with regard to Mr.
18	Rodriguez. You said that you never discussed the FDN
19	with Felix Rodriguez; is that correct?
20	A Yes.
21	Q And I think you said that you instructed
22	Colonel Steele to have nothing to do with Felix
23	Rodriguez; is that correct?
24	A That is correct.
25	Q Did you ever communicate with Colonel Steele

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regarding Felix Rodriguez other than to instruct him to have nothing to do with him?

A I was in Salvador at least once a week. I know that I have had discussions with the Ambassador and Steele about Rodriguez and these other characters that were out there. Those discussions centered on

and I didn t

want to have any disturbing influences like these guys

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Some of those people were out and out commercial types. I mean, they were selling night vision goggles and other gadgets to the ESAF. Some of them,

14 like Rodriguez, might have lofty motives, but they were 15 undisciplined, didn't report to anybody in the U.S.

Government, and from my point of view I did not want the

Ambassador, my guy in San

18 Salvador to countenance their interfering

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My general attitude was we don't have anything to do with volunteers.

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4	Q Did you ever communicate in writing to
5	Ambassador Pickering regarding Felix Rodriguez?
6	A Again, I was in touch with the Ambassador
7	several times a week, and I was up there at least once a
8	week myself. We certainly did talk this. Now whether it
9	was orally, by telephone, or by writing I don't recall.
10	But we did talk about Rodriguez, yes, and I was pleased
11	that the Ambassador shared my view that these extraneous
12	influences should not be allowed to become a part of the
13	modus speciand
14	Q I'm not sure If I got a yes or hot. Did you
15	ever communicate in writing from yourself to Ambassador
16	Pickering about Felix Rodriguez?
17	A I don't remember. I just don't remember.
18	Q Let me introduce some exhibits and show you a
19	few documents and give you a chance to read the first
20	one. I ask that that be marked as Exhibit 7.
21	(The document referred to was
22	marked Gorman Exhibit Number 7
23	for identification.)
24	(Pause.)
25	Now as I read it, this document is simply a
	* ***OP *******************************

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1	draft of Ambassador Pickering's cable to you
2	and it has on it Colonel Steele's
3	cover note to the Ambassador which went through the
4	Deputy Chief of Mission transmitting it. Do you recall
5	ever hearing Mr. Rodriguez referred to as our no-pay
6	mercenary?
7	A No. And this mention of alandon
8	
9	A Yes, reminds me that was a party to
LO	this thing. It was not only
11	this mention of his specialty ir mobile operation
L 2	with elite units designed to pursue a targeted guerrilla
L3	unit until it is destroyed evokes what Rodriguez told
L 4	me about his operations in Vietnam. And that was what he
. 5	was supposed to know about.
16	Q All right, sir. Let me move in chronological
.7	sequence forward from Colonel Steele's 1 February note to
.8	the next exhibit.
L 9	(The document referred to was
20	marked Gorman Exhibit Number 8
21	for identification.)
22	(Pause.)
23	A Okay.
4	Q Let me ask you first, General, if you recall
:5	having sent this telegram to Ambassador Pickering on or

about the 8th of February 1 1 2 Well, obviously I did, but I don't recall it, no. Okay. It has as its subject Felix Rodriquez, and then the text begins: "Subject has been put into play by Ollie North" and, down below that, "Ollie assures me that he will pass word to Rodriguez to get in touch with me before he goes any further." The next paragraph says: "But Ollie assures me that his intent was to focus Rodriguez on forces operating elsewhere in Central 10 11 America and that nothing more than consulting with", and then the name is blocked out, "was contemplated." 12 Would it be fair to interpret that as his, Mr. 13 14 Rodriguez', going to El Salvador and meeting with 15 was more or less a cover for his operations to assist the FDN? 16 17 Again, I don't ever recall Ollie linking 18 Rodriguez with the FDN. 19 And you don't recall ever linking Rodriguez 20 with the FDN? No. But the sentence where his intent is to 21 focus Rodriguez on forces operating elsewhere in the Cent 22 23 Am --If this in fact is your cable, as Ambassador 24

Pickering suggests, you go further to say: "opining that

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we really had enough advice for the ESAF" I assume		
that's the El Salvador Air Force "on the net at the		
moment. Ollie rogered and said that Rodriguez can be		
much more useful in other places where aid and advice is		
much scarcer."		

A Right.

Q Is it a fair inference to draw that that might suggest Colonel North intended and you assumed that Mr. Rodriguez was going to be helping the FDN?

A I could certainly believe that, you know, he was going to put Rodriguez to work for those purposes. I knew that Ollie was in touch with the FDN, and I could believe that that was his intention. But my main concern was to keep Rodriguez out of our hair in Salvador, and, frankly, I didn't care where else he went. My concern

which was my main interest in

all of this.

But again how Ollie was going to use this guy I don't know. I really don't.

Q Shortly after you apparently sent that cable

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1	do you recall that kodriguez came down and passed
2	through?
3	A Yes. When I talked with you last time I had
4	that associated with the elections.
5	Q Do you recall what you discuss with him?
6	A Yep. Again, we spent most of the time doing
7	old boy stuff, back to the '60s, walked through his
8	adventures He was very
9	concerned about the situation in Bolivia. We talked
10	about that at some length. We talked about Vietnam.
11	Q Did you talk to him any about the FDN?
12	A No.
13	Q Do you recall did you tell him that the FDN
14	deserved his priority?
15	A Not that I can recall, no.
16	Q All right. Let me have and have you take a
17	look at this next document. I'll have it marked as
18	Exhibit 9.
19	(The document referred to was
20	marked Gorman Exhibit Number 9
21	for identification.)
22	(Pause.)
23	A Yes, okay.
24	Q. Let me say first of all this apparently is a
25	cable from you dated 14 February 85 to Ambassador

Pickering and Colonel Jim Steele. Up at the top you will see, in the upper right hand corner, it says "file for me, S", and Colonel Steele in his sworn deposition indicated that that was his handwritten notation and that's what he did when he wanted his secretary to file something for him.

It indicates in the first sentence that you had apparently met with Felix Rodriguez. It says "I have just met here with him," so I assume it was on or about that day.

A Right.

Q In numbered paragraph two it says:

"Rodriguez' primary commitment to the region is in

where he wants to assist the FDN. I told him
that the FDN deserved his priority." What do you recall
about that sentence?

A Again, I am surprised. I had not recalled any discussion with Felix about the FDN, but I think you can see from the context that my primary concern with this guy was to keep him out of the Salvadoran game, where --

- Q That would seem that you told him your primary concern was to keep him in the FDN game. "I told him that the FDN deserved his priority".
 - A Right. Well, that is certainly what I wrote.
 - Q Further down, in numbered paragraph four, you

you know if Colonel Steels ever met with him?
A I'm sure he did, but I don't recall any of
this. I am obviously out of memory on a lot of this.
These are, after all, the final couple of weeks of my
time in the Army, and I don't remember any reports back
from Jim on this guy. And I would say again that my
fundamental concern was to keep Rodriguez the hell out o
SOUTHCOM's business.
Q In numbered paragraph five it says:
your approval, I will send Rodriguez to tomorro

"I recommend that Jim Steele meet with him."

Q In numbered paragraph five it says: "Wassuming your approval, I will send Rodriguez to tomorrow on 15 February on one of my C-12s." Do you recall if Ambassador Pickering approved and if you sent Rodriguez on one of your planes?

A To the best of my knowledge, I believe yes, he did approve, and he did go up on one of my airplanes. The reference to Lou Rodriguez there is, of course, one of the Cubans who was in the Mil Group. And my general notion here apparently is to get him up there, let him have his meetings and then get him out of country.

Q All right. General, if this helps in any way to refresh your recollection about this cable, do you recall if when you talked to Felix Rodriguez and you talked about the FDN if he told you who gave him the mission of aiding the FDN?

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1	No. Again, my memory, even with this cable,
2	is that I don't recall. I didn't associate Felix
3	Rodriguez with the FDN, and I don't recall any discussion
4	with him about that. He was deeply concerned as a Cuban
5	for what Castro, what he was perceiving as Castro's
6	operations in Latin America, and our talk went back to
7	and the events and all of that.
8	and the events and all of that. Q But would you say it's a fair reading of this cable that apparently your talk covered the FDN?
9	$\sqrt{}$ cable that apparently your talk covered the FDN?
LO	A Yeah, apparently.
1	Q And you don't recall whether Mr. Rodriguez
L 2	told you who gave him that mission?
L3	A No, I don't.
L 4	Q Do you recall if you ever
15	A My memory is that this was a guy who appeared
L 6	before me wanting to do something, and my concern was,
7	from what I had known
8	that he was going to become an influence over the
9	Salvadorans and I didn't want that to happen.
0	Q Do you know if you ever communicated to any of
21	your superiors that Felix Rodriguez was there to assist
2	the FDN ?
23	A No, I don't.
4	Q You don't believe you did, or don't recall?
:5	A Don't recall.
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Do you know if Colonel Steele was ever given

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2	any assignment to monitor Felix Rodriguez' activities?
3	A To the extent that Jim was supposed to track
4	what he was doing
5	that we knew of the transactions between the two or among
6	the three of them, yes, but that other than that, you
7	know, my instructions to Jim were to play this guy hands
8	off. Get him out of country.
9	Q Let me give you a chance to read this and ask
10	that this be marked as the next exhibit.
11	(The document referred to was
12	marked Gorman Exhibit Number 10
13	for identification.)
14	(Pause.)
15	This is a back channel communication that is
16	undated but from the context and from our deposition of
17	Colonel Steele and as his "file for me, S" at the top
18	would suggest that it was on or about the 15th of
19	February 1985 from Ambassador Pickering to Mr. Motley,
20	Mr. John Stone, and to you. It indicates, apparently as
21	a follow-on to your cable to Ambassador Pickering, that
22	in fact he did go up and met with the Ambassador on 15
23	February.
24	And in numbered paragraph three: "Rodriguez
25	will return in three or four weeks to work with
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and Steele. Steele will monitor closely." As far as you know, did Colonel Steele ever get back with you and tell you of any meetings he had with Rodriguez or anything he learned in the process of monitoring Mr. Rodriguez?

A No, not to my memory. But I would take you back to Exhibit 6 and this note about Ollie here, which is dated the 19th. It suggests to me that this message hit me about the time that I am having this conversation with Ollie and that now tracks, trying to get him out of Salvador, should not perturb the process -- trying to get

Steele to accomplish all of that without having him in it. And this tactic that you are talking about here is exactly the kind of help that I didn't think we needed from anybody.

We kind of knew how to do that. And bringing in Rodriguez to try to precipitate this kind of a tactic was, in my view, at this time premature and I was trying to get Ollie to wave him off.

Q There's one other track that possibly tracks, and that is that if you look at Exhibit 6 -- and that's Colonel North's spiral-bound note of 19 February 85 -- and Exhibit 9 -- which is the cable from you of 14 February 85 to Pickering and Steele -- in Colonel North's notebook he says: FR told his priority should be FDN,

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1	and char's in his discussion with you, and in your cable
2	to Pickering you see, "I told him that the FDN deserved
3	his priority."
4	Do you think you may have told Colonel North
5	that you indicated to Mr. Rodriguez that his priority
6	should be the FDN?
7	A It's possible. But again I think I would tell
8	you that my memory is my main interest was to keep this
9	guy out of our hair in El Salvador.
10	Q Let me show you one final exhibit on this, and
11	this is an excerpt from the testimony of Colonel North
12	before our joint Committees on July 14. I'll have that
13	marked as the next Exhibit.
14	(The document referred to was
15	marked Gorman Exhibit Number 11
16	for identification.)
17	I ask really that you look at line 548, where
18	Congressman Boland is questioning, and go down to line
19	563.
20	(Pause.)
21	A Okay.
22	Q Colonel North says, in response to Congressman
23	Boland, at line 561: It is possible that I talked with
24	General Gorman. This would be in terms of what Colonel
25	Steele was doing to aid the resupply effort. And that's

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an equivocal statement.

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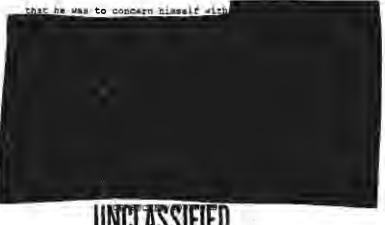
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16

Do you recall whether you and Colonel North ever talked about Colonel Steele's involvement with or assisting the resupply operation?

We did not at the time I was in command have any discussions relating to resupply operations. And I have been surprised at the reports in the press of these hearings that had Jim Steele involved in an resupply operation. That really surprises me, and I did not talk to Oliver about resupply operations or Jim Steele at any time subsequent to my leaving command.

Jim arrived in El Salvador right after the elections, so it would have been in June of '84, somewhere in that time frame. I know that we had a number of discussions in El Salvador as to what it was



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And, you know, if Jim was in fact work	ding on
resupply it comes as a surprise and something of	a shock
to me. I just don't know how that came about. A	s far as
Art Moreau's Art never mentioned anything to	e about
Jim Steele or any operations of that ilk.	
Q One more question along those lines.	Did
Ambassador Tambs ever tell you, as he told our Co	mmittees
in his publicly sworn statement, that he had been	sent to
Costa Rica to open a southern front?	
A No. I have in my testimony, various	estimony
here and I don't recall the specific dates	et
cetera, but I have been one of the advocates of '	'a
southern front". The point is that the bulk of t	he
Nicaraguan refugees who have political sentients	are in
Costa Rica, and that if there is to be an effect:	ve
resistance movement against the Sandinistas it sh	ould
encompass those Nicaraguans who are in Costa Rica	, and I
have used the terminology "southern front" with,	for
example, Elliott Abrams, advocating here just a	!ew
months ago with him the establishment of a front.	,

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But I was using the term "front" in the

political sense, meaning some kind of a concerted action

that would bring together all of the forms of resistance

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•	to the pandinates and get some Aind of a positions
2	entity, an alternative to the Sandinistas, put together.
3	I was surprised at Lew's testimony in that respect,
4	because, as I interpreted the newspaper reports, he was
5	talking about a military operation, and I would have
6	regarded a military operation in the south as a remote,
7	even more remote than the FDN thing up in the north,
8	precisely on the grounds, again, lack of leadership, lack
9	of training of the people.
.0	But again, lots of Nicaraguans, porous border,
1	a lot of possibility, it seemed to me, for political
2	action, and that's what I was looking for.
.3	Q Did Colonel North ever tell you that he had
.4	given Ambassador Tambs the mission of opening a southern
.5	front?
.6	A No.
.7	Q Did Mr. Abrams ever tell you that?
.8	A No.
.9	MR. SAXON: That's all I've got.
0	THE WITNESS: But both of those gents took
1	issue with me on that particular point. What is this
2	stuff you keep talking about Costa Rica? I was critical
3	of the focus of the effort on the FDN, when I regarded
4	the FDN as a subset of a much larger source of opposition
5	to the Sandinistas.

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BY MR. SABA: (Resuming)

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to shut up.

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2	g General, continuing on that line, particularly
3	in 1986 in your various conversations with Colonel North
4	did he mention to you the establishment that year of a
5	southern front?
6	A No.
7	Q Did he make you aware of the air strip that
8	was being built in Costa Rica?
9	A No
10	
11	
12	
13	But milit I don't retall ever
14	talking to Ollie about this.
15	Q How about Admiral Poindexter or Elliott Abrams
16	on that subject?
17	A No. Again, now we had discussions about the
18	importance of Costa Rica, on which I was making public
L9	statements, and Ollie in particular tried to suggest to
20	me that the FDN was the only thing that was working, that

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one more Exhibit on this point.

the Costa Rican thing was a non-starter, et cetera, et cetera -- come off of that, trying to get the old General

MR. SAXON: Joe, I do have one more. There is

(The document referred to was

2	marked Gorman Exhibit Number 12
3	for identification.)
4	(Pause.)
5	THE WITNESS: All right.
6	BY MR. SAXON: (Resuming)
7	Q This is from the testimony of Colonel North on
8	July 8, 1987, and at the top Mr. Nields had been going
9	through asking Colonel North who at various agencies of
.0	the government knew about his operations in aiding the
1	contras. And he said, how about the Defense Department,
.2	the Southern Command? And Colonel North responds and
.3	talks about Admiral Moreau for a bit, and at line 1284
.4	Mr. Nields says: "How about General Gorman?"
.5	Colonel North says: "I think General Gorman
.6	had a general idea of what I was doing. General Gorman
.7	had been the predecessor to Admiral Moreau* it's
.8	misspelled "at the Pentagon. I visited with him
9	frequently, but I don't recall with these people sitting
0	down end saying, by the way, over the next 30 days here
1	is what Ollim North intends to do.
2	"What is likely is I sat down and asked over
23	the course of the next six months do these sound like
4	good ideas for the Nicaraguan resistance and what is your
	advice on her their should carry those things out. I'm

saying by inference these people came to know my role in supporting the democratic opposition in Nicaragua, both military and political, and in trying to engender support for it from the countries in the region as well as Europe."

Let me ask you a couple of questions based on that. Do you recall Colonel North ever, as he indicates here, outlining for you ideas for the Nicaraguan resistance, both political and military, and asking you whether they sounded good?

A Not in those terms. I would say it went more like this. First of all, I knew that Oliver North was in contact with the FDN. There were a number of occasions when Ollie and I were traveling together in Central American when he would leave me to go have meetings with FDN leaders. I knew those meetings were taking place. What they talked about, why he was doing that, I didn't know, and, per John Negroponte's advice, the less I knew about that, I figured, the better.

- Q By the way, did these meetings take place during the period when the Boland Amendment was in effect cutting off all CIA and DOD funds?
- A During the entire time that I was down there, whenever Oliver came into the region, I knew that he had meetings with the FDN, so it preceded and continued

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1	during.
2	Q Did you ever report any of those meetings to
3	any of your superiors?
4	A Only no. In the form of reporting cables
5	no.
6	Q Formal or informal.
7	A Informal, yes, sure.
8	Q Who would you have told that?
9	λ Art.
10	Q Admiral Moreau?
11	A Or Jack Vessey. Admiral Moreau or General
12	Vessey, in the context of here's what went on in
13	Tegucigalpa yesterday, you know, et cetera.
14	The second point that I would make is that
15	Ollie was habitually given briefings on the military
16	situation in the region, which included our appreciation
17	of FDN and Sandinista operations.
18	Q Briefings by SOUTHCOM people?
19	A By SOUTHCOM people or by me. Usually when I
20	would travel to a country, like Tegucigalpa, I would si
21	down with the Ambassador and I would go over what I knee
22	about what was going on, and I would ask him for his
23	perception, and Oliver sat in those meetings with us,
24	participated in them.
25	There was an emerging picture of FDN

ineptitude in the face of a rapidly-improving Sandinista military capability. The Sandinistas were fielding these battalions of light infantry. Their commanders were evidencing greater confidence in their ability to handle the FDN. And there was a declining presence of FDN -- in fact, of course, toward the end of the period almost

total sathdrawal



the and here that the Sandinistas were putting together some kind of a scheme to embarrass the American administration or trying to embarrass American policy.

That latter concern rested on reports which we were getting through our sources of attempts to stage a border incident involving Americans, of arrival in Nicaragua of additional equipment from the Soviet Union right up before the elections in 1984. Just before the elections in October, about the time the Boland Amendment went into effect, Hind helicopters arrived in Nicaragua and there was a lot of very mysterious goings and comings in the northwestern corner of Nicaragua.

It could have been related to infiltration into El Salvador but might have been tied, we thought, to this attempt to stage an incident. And I know that it is this kind of thing that I would have been talking to the Ambassadors. Oliver certainly sat in these meetings, but I think he's right. He never asked me what should the FDN be doing about that or --

Q Well, he doesn't say that. He said that he would eay to you what is your advice on how they should carry those things out.

A No, I don't recall conversations like that.

Let me back off a little. I was certainly clear with Oliver that I didn't think the FDN had their act together. I didn't think they understood military strategy, tactics or how to run a guerrilla war. I didn't think they had a logistics apparatus worth a damn. Our briefings made that clear.

I mean, I ran critiques of FDN military operations, but I never went to the other side of the thing to figure what is it that you do to straighten that out. I was not in that game. I was, if you will, a quality assurance mechanism for the U.S. Government and I was trying to service John Negroponte, Tom Pickering, Oliver North, Bill Casey and anybody else who would ask me about such matters.

Q Colonel North says in a general way his
understanding that you would have been aware of his
efforts to "engender support for it", meaning the
Nicaraguan resistance, "from countries in the region as
well as in Europe."

Were you aware that he was engaged in the process of trying to raise money for the contras?

A No.

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 Q Were you aware that there were any efforts that he was involved or generating to solicit third countries for funds for the contras?

A No, sir.

Q Do you have any idea what he would have in

mind there when he was that?

of the Europeans of the importance of the struggle for democracy in Central America, and in particular to call

	Tallet barries of parobe and race and a
principal	support for the Nicaraguan guerrillas I'm
sorry, the	Salvadoran guerrillas was funds from those
Socialist	parties. It was the European left that was the
principal	support for the guerrillas in El Salvador.
	It was also clear that if there was going to
be any kin	d of coalescing of political sentiment in favor
of the sur	vival of democracy in places like Honduras or
Costa Rica	that there had to be a shift in the awareness
of the Eur	opean governments, and so I could believe, you
know, that	yes, I did talk to Oliver a lot about that
kind of an	undertaking. But the idea of dunning those
government	s for money for the FDN we did not discuss. I
just don't	remember anything like that.
	BY MR. SABA: (Resuming)
Q	General, do you know a gentleman by the name
of a Briti	sh citisen, David Walker?
A	I've heard the name. He's an SAS type?
Q	Yes, sir.
λ	He sells services to people who are concerned
about thei	r security, like Peruvian businessmen.
Q	Are you aware of his activities in Central
America?	
A	Only sort of on that level. Let's see. What

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do I know about him?

1	Q Specifically, do you know of his involvement
2	in respect to an action in Nicaragua?
3	A No, nothing like that, no. I see him or my
4	memory is that he was sort of in the business of showing
5	companies how to protect their executives in Central
6	America that kind of business.
7	Q Did Colonel North ever have occasion to
8	mention him to you?
9	A Not that I can recall. I don't ever recall
10	talking to Ollie about anything related remotely to his
11	stuff. I have him mainly in the Peruvian context.
12	That's where I remember hearing the name, down in Lima.
13	Q Do you recall intelligence information about
14	his activities apart from Lima in Nicaragua?
15	A No, I do not.
16	Q General, I'd like to show you some other
17	documents so I can get through some of these notes and
18	move on. This is an Oliver North note of January 24,
19	1985.
20	(The document referred to was
21	marked Gorman Exhibit Number 13
22	for identification.)
23	(Pause.)
24	A Okay.
25	Q I am referring in particular to the bullet in
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the middle, which is a call from yourself and there are

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2	three points on that and I want to know if you can give
3	us your reaction to those three points.
4	A Let me be sure I am reading it right. It
5	says: Briefed JCS on the Duarte barrier, and then I
6	don't get the first word of the next sentence. What doe
7	that say?
8	Q It looks to me like Bush or Bud.
9	A Bud needs to bring okay. So it's Bud
10	McFarlane needs to bring these ideas to bear.
11	Supervening layer, OSD. Okay. Tom Pickering and I had
12	meeting with the President, referring to Duarte, in San
13	Salvador in which we were trying to urge Duarte to get o
14	with the implementation of the national plan, which
15	included specifically
16	
17	and otherwise getting on
18	with the security plans with the point that most of
19	our difficulties rested on the restoration of civil
20	government in these countries.
21	It didn't make any sense to have a village
22	militia if there wasn't anybody in charge in the village
23	In short, our concern was that the military side of the
24	apparatus was getting out ahead of civil government and

we were trying to urge on Duarte the notion that he had

to move promptly to restore public administration in the conflicted areas of the country -- appoint mayors or have elections for mayors or whatever the local ordinances provided -- so that there was a civil authority to which these military mechanisms could be responsive.

Duarte responded that his was a country that was being invaded by Nicaragua and that what he required in order to bring this kind of public administration into existence was the creation of a barrier that could insulate or isolate El Salvador from external influences.

And he talked about the permeability of his beaches and how every night there were people coming and going into his country and that as long as this was the case no village leader could be safe. And he called upon the United States. He said, you know, what you've got to do is to help us build a shield for democracy, and he had a copy of the Spanish language version of the Kissinger Commission report on his desk, and he pounded this and he says you talk about a shield. He says, more than a shield, you've got to give me a barrier.

So this is in the context of my meeting with the JCS over at the Pentagon talking about the conversation with the President.

Q Why would you have called Colonel North to brief him on that matter?



A I think the second point explains that. What I was trying to do is to communicate to Ollie and to Bud the fact that Duarte was talking in terms of barriers, and I thought that it would be very useful on a White House to Duarte business to get him into the public domain with these items.

g #id Duarte Mention

 Managua,

No, sir, he did not.

movement of guerrillas to and from their headquarters in

Q Was there any discussion

A No, sir, nothing like that -- absolutely nothing. The entry on supervening layer I just don't know. I don't recall what that refers to. My interest in alerting Oliver and Bud to this was, of course, exactly that Bud and Oliver had just been down to the region. Bud had had a meeting with Duarte. Bud had made a point to the President that he needed to say publicly

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what he was saying in private, so that we would be able to explain to our people, to our Congress, what it was that we were trying to do on his behalf.

And I think that's the reference to all of this. I was trying to get this statement of Duarte's, which was, you know, fairly dramatic and it fitted with the Kissinger plan for the region, and I suppose the supervening layer was to ensure that Bud got the Secretary of Defense aboard.

Q The next exhibit is a note from 12 Nevember, actually two gages. There are two pages on that exhibit.

(The document referred to was marked Gorman Exhibit Number 14 for identification.)

In order to assist you, the full Boland restriction had just come into effect in October of '84. (Pause.)

A I'm having trouble reading this. Delay in arrival of goods; please tell -- what's that word, Chin?

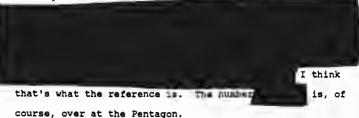
Q I don't know.

A That looks good. Looking to travel following his proposal at appropriate time. I don't know what the arrival of goods refers to. We were talking. I was up in Washington and we were talking about Bud's wanting to go down to the region to make a swing through the several

countries.

The idea was that the elections were now behind us. It was clear that President Reagan was going to remain in office and that it would be important that a personal representative of the President come down to visit each of the heads of state and assure them of constancy in American policy and conceivably to

8 reenergize them.



I don't know what the next line is. Oh.

Yeah. Apartment Q. That's over at Ft. Myer. That's

where I was staying. That's what that is.

Q In reference to the delay in the arrival of goods, was there any discussion at this point about a resupply effort in view of the full Boland restrictions? It must have been a matter of considerable concern at the time.

A Well, but again I just didn't have anything do with that business in any event. Delay in arrival of goods. I don't know what that refers to. But the answer

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_	to your question is, no, there was no discussion of the
2	Boland Amendment or the impact.
3	Q Earlier that month did you provide any
4	information, whether to North or possibly to the
5	resistance, as to the locations of helicopters in
6	Nicaragua?
7	A Let me see if I can recall this for you in
8	this fashion. Early in October we got information that
9	the Soviets were going to ship Hind helicopters to
10	Nicaragua. We found this to be a strange move in the
11	context of an upcoming American election in which
12	American policy in Central America was an issue for the
13	Soviets in effect to play into our hands by moving large
14	amounts of military gear, particularly something like an
15	armored helicopter seemed to us indicative that
16	whatever it was they were up to that they intended to
17	impact the elections, and that they were operating under
18	the misapprehension that strengthening the Sandinistas
19	would have an influence beneficial to them.
20	Well, the helicopters came and at the same
21	the as I indicated earlier, we began to receive report
22	about attacks on Americans
23	again sort of in the postert of the elections.

The third set of reports that began to arrive related to helicopter activity in northwestern Nicaragua.

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there was a

whole series of reports back and forth.

I was on the phone frequently with Art Moreau about that particular development. We were concerned that there was some kind of a scheme under way to hit.

for example

And I know that I provided to the chairman virtually daily updates on all of that and I asked that the Chairman keep the Secretary and the White House well informed because I saw in all of this, of course, a major danger to U. S. servicemen down there, possible political issue of which the White House should be kept informed, and a serious problem for Suazo if in fact this turned out to be a Nicaraguan strike into Honduras, with the prospect that the Hondurans would respond with an air attack in Nicaragua and then the whole unravelling of the situation there that would follow.

That was sort of the strategic context to all

1	of this. Now did I brist offver worth on helicopters:
2	I'm confident I did. I mean, that's sort of what we were
3	all talking about at the time. Did I brief Oliver North
4	about helicopters so that he could tell the FDN? No,
5	sir, I didn't do that. I would not have regarded the FDN
6	as an instrument capable of doing anything about Hind
7 .	helicopters then or now.
8	Q Are you familiar with end user certificates
9	that may have been issued by
LO	respect to arms shipped into Central America?
11	A
12	who
13	(Mar)
L4	Eto name Lo
15	BY MR. SABA: (Resuming)
16	Q Let me show you a collection of documents.
L7	It's a collection of end user certificates. They've been
L8	used in the depositions. We will just enter them here as
L9	one exhibit. I ask you if you have ever seen these, if
20	you have any knowledge about them.
21	(The document referred to was
22	marked Gorman Exhibit Number 15
23	for identification.)
24	(Pause.)
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_	20 102 11210 2111 111111111111111111111
2	certificates?
3	A No, sir, I don't. LAW rockets, 3,000 LAW
4	rockets? Wow. Nope.
5	Q Did
6	you with any information about how those were obtained?
7	A Well, I don't have any memory of the whole
8	thing.
9	Q Perhaps I can help. Was it suggested that
10	there was an intermediary in obtaining those, an
11	Intermediary
12	who also kept in close contact with
13	
14	A Well, if I was briefed on anything like this,
15	it sure as hell has slipped my mind. I mean, I just
16	don't have any memory of any of this. So these are arms
17	from
18	Q It is true in the sense of the country of
19	origin and the country of destination; however, the
20	certificates were used for other purposes. But the
21	information we obtained in connection with how they were
22	obtained came from
23	
24	A I'm sorry. I can't help you on that one.

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2	(A brief recess was taken.)
3	BY MR. SAXON: (Resuming)
4	Q General, let me give you one more document and
5	have you take a look at it and ask that this be marked as
6	the next exhibit. I'll give you a moment to read that.
7	(The document referred to was
8	marked Gorman Exhibit Number 16
9	for identification.)
10	(Pause.)
11	A All right, sir.
12	Q Let me indicate for the record this is a
13	memorandum from Colonel North to Robert C. McFarlane
14	dated November 7, 1984, and that's the period in which
15	Mr. McFarlane would have still been National Security
16	Advisor. He puts together a chronology on a number of
17	events and under the entry of Monday, November 5, he
18	says: "Calero called from Miami using appropriate one-
19	time pad expressing grave concern about delivery of Hind-
20	D helicopters at El Bluff." A little further down it
21	says that "Calero indicated he was undertaking plans to
22	take out the Hinds and asked that he be given all
23	possible information on the location of the helicopters.
24	I told him I would try to get the infermation to him."
25	He indicates in the next paragraph that he



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2	information you had on the location of the Hind-Ds.
3	The first question: When Colonel North called
4	you, did he indicate why he wanted this information?
5	A No. But, as I indicated in my previous
6	remarks, there had been a series of communications
7	throughout the month of October about the arrival of
8	these Hinds and I wouldn't recall the specific of this
9	particular transaction. But I would say that it wouldn't
.0	have surprised me.
.1	Here we are on the eve of the elections. An
.2	update for the White House on where the Russian gear, it
.3	seems to me, wouldn't have struck me as unusual. But I
.4	don't recall certainly any mention. You know, I'm very
.5	clear in my memory that they never called me and
.6	mentioned that Calero had asked and would you tell
.7	Calero. No, nothing like that.
.8	Q Did he ever tell you that Calero had called
.9	and would you tell him, Colonel North, so that he could
0	tell Calero?
1	A No, sir.
2	Q If you would look at page two, the second full
3	paragraph, it says: "Calero and I met privately mid-
4	afternoon. During the meeting, Calero advised me that he
•	had undertaken a nien to thorrow! A

would be used to strike the location where the Hinds were

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2	being assembled."
3	Let me ask you, General, if Colonel North ever
4	asked you in any way to facilitate the effort of the
5	Calero FDN effort to borrow aircraft?
6	A No. And I can assure you that if this plan
7	had been broached to me I would have vehemently opposed
8	it. That's exactly the kind of dumb move that could have
9	precipitated war in the region.
10	MR. SABA: Did discuss this with you or
11	anyone from the Agency?
12	THE WITNESS: No.
13	BY MR. SAXON: (Resuming)
14	Q Let me ask you to look at the top of page
15	three, and while I understand your answer, apparently Mr.
16	didn't quite go that far in his concern. It says:
17	"During this discussion I apprised of Calero's plan
18	to borrow a T-33 for an attack on the Hinds.
19	agreed with me that this was a high risk operation
20	but there did not seem to be any real alternative if the
21	FDN were to survive."
22	I take it from your testimony, General Gorman,
23	that this never was brought to your attention.
24	A No, sir. That's the kind of thing that would
25	have gotten me on the phone to the Chairman right away.

I would have opposed that with all that I could bring to
bear. You know, T-33s only exist in a few places down
there, and the notion that you can paint a different sig
on it or anything like that is absolutely nonsense.

Q Then again on page three, the second full paragraph, it indicates that on November 7, it says:
"General Paul Gorman called at 1200 to relay new information on collection for MIGs and Hind aircraft."
In that conversation did he indicate to you why he wanted that information?

A No, sir. Let me clastly the references here.

The problem in hand was, of

course, that the United States, back when Judge Clark was the National Security Advisor, had issued a stern warning to the Sandinistas and the Soviets that we would not tolerate the presence of MIG fighter aircraft, advanced fighter aircraft, in Central America.

The Hind did not, in the view of the Administration, trigger the earlier warning, but the arrival of the MIGs was a Vary serious proposition.

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9	BY MR. SABA: (Resuming)
10	Q You would have notion
11	A Yes. And what this is all about a that
12	effort. This
13	report by Art Moreau
14	call. Typically, incidentally, North would call me. I
15	would promptly call Art Moreau or, if Art Moreau had a
16	transaction with North, he would call me and let me know
17	what was going on.
18	This was sort of a very tense and anxious time
L9	for us all. We didn't know what the Soviets were up to.
20	Q But the primary reason for telling North was
21	to keep the White House National Security Advisor
22	informed?
23	A Right.
24	Q Not because they expected you to take any
25	operations?

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-	A Algari No. 110 mole 1200 mas to Acap
2	McFarlane abreast of what was going on.
3 ·	Q So you provided them with sort of general
4	information?
5	Well, he had specifically asked us for
6	information. He asked about the Hinds. I'm confident we
7	talked about the MIGs. This earlier note
8	Q Do you remember if North asked for anything
9	very specific or if you gave him something specific?
10	A I'd be sure that when I talked with him I told
11	nin.
12	
13	MR. SAXON: Did you ask him why he wanted to
14	know this?
15	THE WITNESS: No. I didn't think it needed
L6	explanation. You know, the Nicaraguans, Ortega had been
١7	making statements about arming the people, that the
18	gringos are coming, the Cubans went on alert, the Cuban
19	army and air force mobilized. We were in a very tense
20	situation.
21	BY MR. SABA: (Resuming)
22	Q General Gorman, let me show you, in connection
:3	with this, three pages from Ollie's little notebook here.
4	I'm referring here to entries for the 6th of November and
25	the 8th of November, and the entry at the top of the page

1	for the 6th also includes an entry for the /th. I think
2	you can see a certain succession here, and I think we can
3	have these three pages put together as one exhibit of
4	three pages.
5	(The document referred to was
6	marked Gorman Exhibit Number 17
7	for identification.)
8	Look at the entries for 6, 7 and 8 November,
9	the same period as Mr. Saxon's exhibit.
.0	(Pause.)
.1	A The 6th of November, which is election day,
2	2130, the entry says I don't know what's
.3	that word, but I think it says I just don't know.
.4	
5	
.6	MR. KREUZER: I think it'
7	THE WITNESS: Yes, that make sense.
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3	No.
4	And again this was all in the context of
5	keeping McFarlane abreast of what was developing in the
6	region. I wanted him to know that we had done that.
7	BY MR. SABA: (Resuming)
8	Q If you notice, the next entry he literally
9	hangs up the phone with you, apparently at 2200, half an
10	hour after he's had this conversation with you is having
11	a conversation with Adolfo. I think we can presume
12	that's Adolfo Calero.
13	Did he tell you in the 2130 phone call that he
14	was passing this information on to Calero?
15	A No, sir. He did not.
16	Q I think you move on and you will see what
17	happens again. The first thing in the morning the next
18	day he gets a call from Calero sending a pilot to
19	T-33 preparing to attack.
20	MR. SAXON: Except that 0950 would not be the
21	first thing in the morning for Colonel North.
22	BY MR. SABA: (Resuming)
23	Q No, I suppose it wouldn't be for Colonel
24	North.
25	A Okay. Here's a call from Colonel Krause, is

98

- Carrier 19	m SOUTHCOM: All right.
	And I suspect that I told Krause to call the
JCS and t	he White House to keep them abreast of the
situation	
Q	Moving on to the 8th of November, the entry
for 1400	hours.
A	Okay.
	COLONEL WALLACE: Did you say 1400?
	THE WITNESS: 1610.
	BY MR. SABA: (Resuming)
Q	I'm sorry. There's another page. 1400, cal
from J-2,	US/SOUTHCOM, Major Wisner. Who is Major
Wisner?	
A	I don't recall. He would have been an
intellige	new afficer in SOUTHEON,

	Q	Wou]	ld y	ou	hav	e 1	unde	rsto	od t	hat	Major	Wisner
would	have	had	an	ord	ler	or	ins	truc	tion	to	keep	Colonel
North	info	rmed	of	the	se :	ma	tter	s cl	osel	y?		
		••										

A Oh, yeah. Yes. Again, to go back to this earlier business, we were concerned that it was the Hinds that were involved in these flights into Honduras. We were concerned that somehow or other -- let me go back again to fill you in on the thing.

The reason for the sensitivity of where the Hinds were was exactly because there are no Nicaraguans at this point in time flying Hinds. All of these Hinds are operated by Cubans

And, therefore, if the Hinds were operating up in Honduras that was a major escalation in the whole business. We had not seen a Cuban hand being played that boldly.

Q The last entry I'm interested in is at 1610, which is a call from wisner

A ...

fellows.

22 can see what you have constructed here.

can see what you have constructed here. It looks as though somehow or other SOUTHCOM is conniving with Ollie North to run an air strike Not so,

	UNGLASSIFIED
1	Q with a little help from
2	A and a few other people. No, sir. It
3	didn't happen like that.
4	Q Your testimony is that you were unaware of the
5	T-33 option referenced in Colonel North's memo?
6	A Yes, sir.
7	Q And just so we have a clear record, is it your
8	testimony that the information being provided to Colonel
9	North on the 6th, 7th and 8th of November, '84, was being
10	provided for NSC information and not for transmission to
11	any other party?
12	A Yeah, sure, absolutely.
13	MR. SAXON: If you give me a moment to go
14	through some notes, General, we're trying to shorten
15	things.
16	BY MR. SABA: (Resuming)
17	Q I have just one or two short ones. General,
18	did you have any contact in 1984 or 1985 with General
19	Singlaub?
20	A Only one. Singlaub was a member of a group
21	that Fred Ikle put together, a group of consultants, to
22	discuss the conduct of the military campaign in Salvador.
23	MR. SAXON: Just to devise
24	counterterrorism/counterinsurgency policies?
25	THE WITNESS: Counterinsurgency policies, to
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-	ter and som, the barrager at the relation to the
2	the war.
3	BY MR. SABA: (Resuming)
4	Q Did, at any time, you become aware of the fact
5	that General Singlaub was procuring arms for anti-
6	Nicaraguan resistance forces?
7	A I had a breakfast with John Singlaub late '85
8	in which he told me, he described to me his collecting
9	funds for the Nicaraguan resistance. He spoke of his
.0	making speeches and he told me he had an organization in
.1	New Mexico and he asked me to help in this. And I told
.2	him I couldn't do that.
.3	MR. SAXON: When you were having those
.4	conversations with Colonel North about various and sundry
.5	things did he ever tell you, particularly in early '85,
.6	that General Singlaub was raising money
.7	
.8	THE WITNESS: No, sir.
.9	BY MR. SABA: (Resuming)
:0	Q Did you know that at the time?
1	A No. No, sir. In fact, I was surprised when
2	all of this broke that it had gotten as far as it had.
3	In 1985, early '85, I didn't know that that was going on.
4	And I would say that I didn't much appreciate having
5	General Singlaub brought to bear on my undertakings in
	IAIM-#00#F#Fn
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Page 103 DENIED IN TOTAL

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16			
17			
18			
19		MR. SABA: I have no further questions.	
20		MR. SAXON: I just have one or two, General	ral.
21		BY MR. SAXON: (Resuming)	
22	Q	First, for the record, when you were SOUT	HCOM
23	commander	to whom did you report?	
24	A	Chairman of the Joint Chiefs.	
25	Q	Anyone else? I mean, it was directly to	the
		UNCLASSIFIED	

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Cha	11	T	а	n	7

E.

A Right. I'm sure you know that at the time the law subordinated me to the Secretary of Defense, and it had some phraseology "through the Chairman of the Joint Chiefs of Staff". Jack Vessey and I and Cap Weinberger interpreted that that I would keep the Chairman apprised. The Chairman met daily with the Secretary and he would keep the Secretary apprised. I did write to the Secretary directly once per quarter. It was sort of major issues. But I sent a copy of that communication to the Chairman.

- Q And would the Chairman of the Joint Chiefs have been your rating officer?
 - A Oh, yes.
- Q In terms of the general knowledge you had that Colonel North was meeting with contra leaders, that he more or less was the point of contact or point of intersection for anything that was going on in aiding the contras, any discussions you might have had with Felix Rodriguez about the FDN, anything along those lines, did you ever report any of those things to your superiors?
- A Let me take the Felix Rodriguez issue because I really botched that one for you. I can assure you that at the time Felix Rodriguez was an irritant and nothing more than that. I saw this guy as one more baleful

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influence on the progress of our military undertakings in El Salvador, and I just wanted him out of there. I don't know whether I talked to General Vessey about that.

It's probably not the kind of thing that I would have raised with the Chairman, but I would be sure that I talked with Art Moreau because of my communications to North about it. I generally kept Moreau abreast of anything that I passed on to North.

The second point that I would make is that neither of us, neither Art nor I, saw Ollie as anything more than a go-between with McFarlane. I mean, he traveled for McFarlane. He traveled with McFarlane. I saw him as an effective operator for Bud and treated him in that fashion. Bud should know, Ollie, et cetera.

So it's kind of a long answer to a short question. The way this thing has come out it really does distort reality as I saw it at the time. Here's a Major in the National Security Council who's carrying the spear for the National Security Advisor, and he's been told off to keep the NSC Advisor, National Security Advisor, aware of what was going on in Central America, and we were trying to do that.

Q Did Colonel North ever mention his relationship to Director Casey in any conversation with you?

A No. Well, when you say his relationship --



L	u	•

1	Q Did he ever say anything that would indicate
2	to you he had a relationship with Director Casey that
3	would be in any way atypical for a Marine Lieutenant
4	Colonel to have with the Director of Central
5	Intelligence?
6	A That Oliver talked frequently with Bill Cases
7	I certainly knew. I don't think that it ever struck me
8	as surprising. Again, I would have taken it as quite
9	natural that somebody working the problem for Bud
10	McFarlane would also be talking to Bill Casey much as he
11	talked to me or to Art Moreau. That was his job, the
12	interagency coordination.
13	Q But North wasn't talking to Secretary
14	Weinberger or General Vessey; he was talking to you or
15	Admiral Moreau. Wouldn't it seem more logical he would
16	be talking to the Deputy Director or the DDO?
17	A I don't know. I can't comment. I do know
18	this, that Bill Casey has an office right down the hall
19	from Ollie North. Jack Vessey doesn't, nor does Cap
20	Weinberger. Bill Casey is in and around the White House
21	a hell of a lot more than any of those other people, and
22	Bill, frankly, was a different animal from those other
23	birds.
24	Bill Casey
25	always took the time and trouble to come talk with me.

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He had almost a paternal relationship with people in the field, very different from some of the other guys in government. And he was intensely interested in what was going on in Central America and he had a kind of a mind that, you know, would go after a lot of details. So transactions with Casey were always interesting. You know, you didn't pass the time of day with Bill Casey. He was always working some problem or other.

Up until the time that I left office, I don't recall fixing on any particular "relationship". In other words, I wouldn't have identified that as being an important part of my awareness of who Ollie was or what he was doing. I'm quite certain that we never tried to use Ollie as a conduit to Bill, or can I ever recall talking to Ollie about a matter that I regarded as CIA business, because I had my own channels for addressing those.

- Q Two final questions. One, during your tenure as SOUTHCOM commander were you aware of any effort, intended effort or any effort that actually came off, to divert U.S. material or equipment that was intended for one purpose, such as security assistance or aiding our troops, to the contras?
 - A No, sir, I'm not.
 - Q The second question: Are you aware while you

109

1	were SOUTHCOM commander of any effort on our part to
2	condition our provision of security assistance on the
3	recipient country's aiding the contras?
4	A No, absolutely not. And I would be pretty
5	sure that if that sort of thing had been going on by any
6	other agency of government I would have heard from the
7	recipient countries, because I certainly had plenty of
8	opportunit
9	
10	
11	MR. SAXON: General, I have nothing further.
12	MR. SABA: General, on behalf of the House
13	Select Committee, we thank you very much for your time.
14	We appreciate your coming here for this questioning.
15	THE WITNESS: Okay.
16	(Whereupon, at 12:47 p.m., the taking of the
17	instant deposition ceased.)
18	
19	Signature of the Witness
20	Subscribed and Sworn to before me this day of
21	, 1987.
22	
23	Notary Public

CERTIFICATE OF REPORTER

I, MICHAL ANN SCHAFER, the officer before whom the foregoing deposition was taken, to hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michalan Schafer

Notary Public

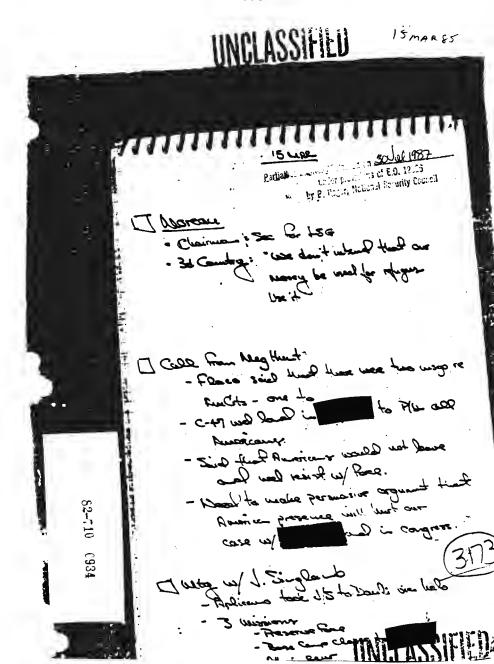
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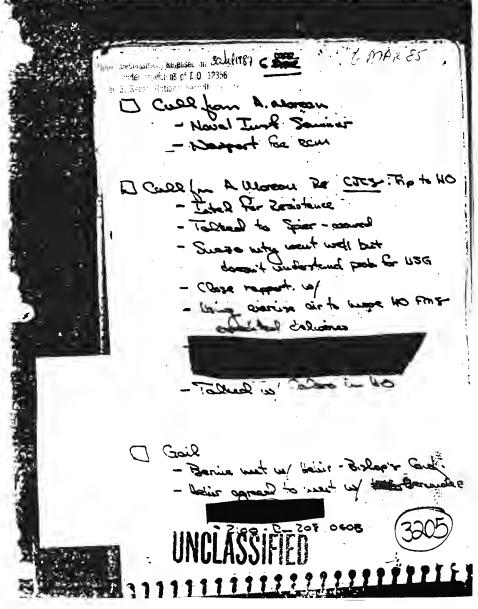
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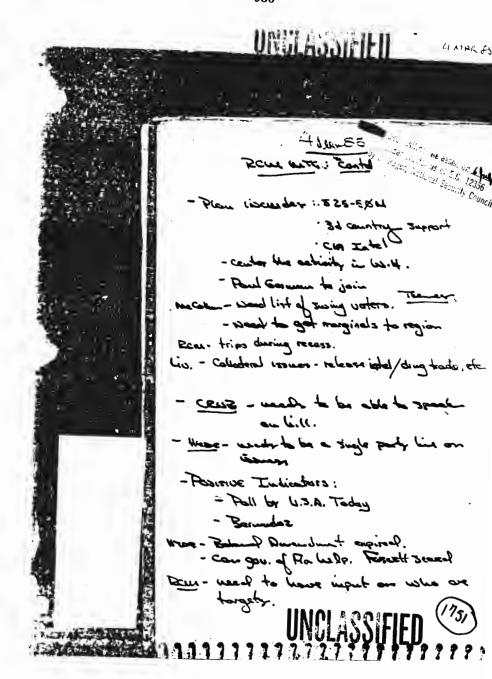
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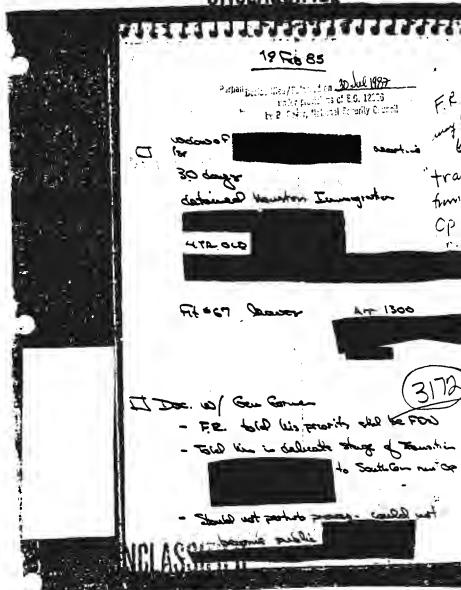
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U.S. MILITARY GROUP EL SALVADOR

APO MIAMI 34023 1 FEB 85

THRU: DCM

TO: AMB PICKERING

SUBJECT: Felix Rodriguez

Per your guidance, attached is a draft backchannel to Gen Gorman on our "no pay" mercenary.

STEELE

Partially Declassified/Released on 5 () EXE () under provisions of E.O. 12356 by K. Johnson. National Security Council



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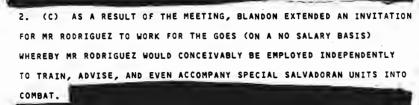
TO SSO PANAMA

CONFIDENTIAL

SSO PANAMA PASS TO GENERAL GORMAN FROM AMB PICKERING PERSONAL FOR GEN GORMAN FROM AMB PICKERING

 (C) DURING BLANDON'S OFFICIAL VISIT TO THE U.S. DURING THE PERIOD 22-27 JANUARY 1985, HE EFFECTED LIAISON WITH A MR FELIX RODRIGUEZ, WHO I AM TOLD HAS EXTENSIVE EXPERIENCE IN LATIN AMERICAN

10



- 3. MR RODRIGUEZ HAS HIGH LEVEL CONTACTS AT THE WHITE HOUSE, DOS AND DOD, SOME OF WHOM ARE STRONGLY SUPPORTING HIS USE IN EL SALVADOR.
- 4. IT 18 MY CONSIDERED OPINION THAT IT WOULD BE IN OUR BEST INTERESTS THAT MR RODRIGUEZ CONFER WITH YOU PERSONALLY PRIOR TO HIS COMING TO EL SALVADOR. I HAVE SOME OBVIOUS CONCERNS ABOUT THIS ARRANGEMENT AND WOULD LIKE YOUR VIEWS. I BELIEVE A MEETING WITH YOU WOULD SERVE TO CLARIFY OUR APPROACH IN EL SALVADOR AND WOULD ALSO PROVIDE YOU WITH SOME INSIGHT INTO HIS PROPOSED METHODS OF OPERATION. I WOULD APPRECIATE ANY USEFUL INFORMATION BE PASSED TO ME SO THAT I COULD BE READY TO SUPPORT OR DISCOURAGE HIS EMPLOYMENT BY THE GOES.

Department of State 12 Feb8 ELEGRAM

ACTION INFO LOG-61 AOS-6 CCO-1111 ASSISTED TOOD

TO SECSTATE WASHING 2042

Department of State 12 Feb8 ELEGRAM

TO SECSTATE WASHING 2042

TO SECSTATE WASHING 2042

C O M F I O E M T I A L SAN SALVADOR #1792

SPECIAL HANDLING

FOR ARA CRAIS JOHNSTONE FROM FICKERING

e, d, 13356: Decligadr Tags: Mops, Pinr. Es Subj: Felix Rodriguez

11: FELIX MODRIQUEZ

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ALA

I. C - ENTIRE TEXT.

2. THE FOLLOWING MESSAGE WAS RECEIVED BY AMB FICKERING FROM GENERAL GORMAN ON FEBRUARY 8.

2. SEGIN TEXT

SUBJECT HAS BEEN PUT INTO REAY BY CLLTS NORTH, AMO, WHILE WELL AGGULENTED, CLOSS NOT HAVE HERHER BACKING. CLLIS ASSURES ME THAT HE WILL PASS WORD TO ROORIGUES TO GET IN TOUCH WITH ME SEPORE ME GOES ANY PURTHER.

I WILL ARRANGE TO MAVE RODRIGUEZ COME TO SOUTHCOM FOR DISCUSSIONS. WE CAN THEN DECIDE WHETHER IT WILL ALSO BE USEFUL FOR HIM TO INSPECT EEAF OPERATIONS "FORSIBLY WALL MIGHT LEARN SOMETHINE FROM HIM. BUT SUCCE ASSURES WE THAT HIS INTENT WAS TO FOCUS RODRIGUEZ ON FORCES OPERATING ELSEWHERE IN CENTAM, AND THAT MOTHINE MORE THAN CONSULTING WITH THAN ARE THAT FOR HELD INTENDED TO MILES. ON THE FRUING THANSPER FOR MILES. ON THE FRUING THANSPER ENOUGH ADVICE FOR THE ESAF ON THE NET AT THE MOMENT. CLLIE ROGERED, AND SAID. THAT RODRIGUEZ CAN BE MUCH MORE USEFUL IN OTHER PLACES, WHERE ALD AND ADVICE IS MUCH MORE USEFUL IN OTHER PLACES, WHERE ALD AND ADVICE IS MUCH SCARCER.

WILL KEEP YOU INFORMED.

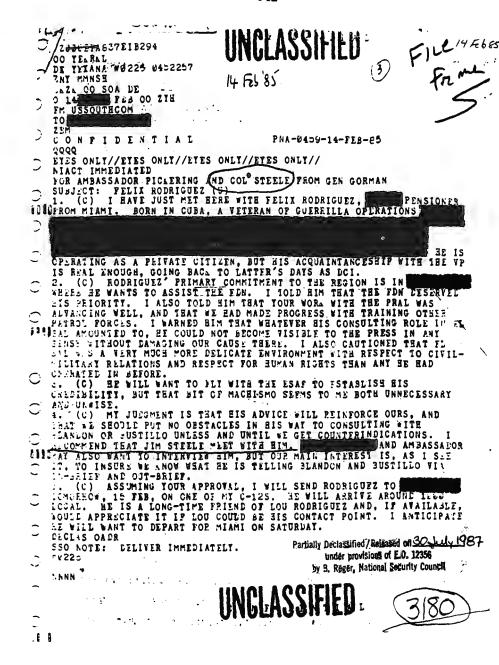
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PICKERING

Partielle: 120/7 to ed on 30 July 1987

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BACK CHANNEL

Partially Declassified/Released on 20 July 1987 under provisions of E.D. 12356
by S. Riger, National Security Countil

NO DATE D 23180

ACTION: STATE RCI, IMMEDIATE USSOUTHCOM, IMMEDIATE

EYES ONLY FOR ARA MOTLEY AND JOHNSTONE; SOUTHCOM FOR GENERAL GORMAN FROM PICKERING

SUBJ: MEETING WITH FELIX RODRIGUEZ

- 1. I HAD A VALUABLE MEETING WITH FELIX RODRIGUEZ FEBRUARY 15.
- 2. HE HAS CUTLINED A TACTIC WHICH I BELIEVE HAS MERIT AND SHOULD



OBVIOUSLY WARIATIONS ARE POSSIBLE, BUT WE WILL HAVE TO .

INTEGRATE ISSUE AND HANDLE IT BETTER THAN EVER
BEFORE IF IT IS TO WORK, SOMETHING I AGREE WITH ON ITS OWN.

3. RODRIGUEZ WILL RETURN IN 3-4 WEEKS TO WORK WITH BUSTILLO

(FAS) AND STEELE. STEELE WILL MONITOR CLOSELY. RODRIGUEZ UNDER

STANDS MY GENERAL RULES -- NO CIVILIAN CASUALTIES AND HE IS NOT

TO ACCOMPANY FAS ON COMBANIONS CONTINUES. WE WILL START

D 23181

SLOWLY AND CAREFULLY TO SEE WHAT APPROACH CAN PRODUCE. HE WILL TAKE ON HIGHER PRIORITY MISSION FIRST.

4. FOR ARA: PLEASE BRIEF DON GREGG IN VP'S OFFICE FOR ME.

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JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION

Continued Testimony of Oliver L. North and Continued Testimony of Robert C. McFarlane

Tuesday, July 14, 1987 Afternoon Session

House Select Committee to Investigate Covert Arms Transactions with Iran

Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition

Washington, D.C.

under provisions of E.O. 12356 by K. Johnson, National Security Council



888	E: 18 19 38 0F. 20
529	talk with Casey? GNCLASSIFIED
530	MrMCRTH. Well, in my testimony and in the records that
531	I turned over to the committee and those that were provided
532	by the White House, it is very clear that I was in direct
533	contact with the station chief in a Central American
534	country.
535	wr. BOLAND. You know, you are many things. You are many
536	great things. There is one thing you really do greatthat
537	is, keep magnificent memosreautiful penmanship, no
538	crossout. You know exactly what you are doing. All the
539	time you write it down in perfect English and perfect
540	language.
541	Naw, in the documents you supplied to this committee, the
542	indicate you were an inveterate note-taker. How about Mr.
543	Casey, did he take notes when you met with him?
544	Mr. NORTH. No. On the number of occasions I walked into
545	the Director's office or when meeting with the Director and
546	he would tell me to put away the notebook, that if I
547	couldn't remember lt, I didn't belong in the business.
548	Mr. EOLAND. New, several witnesses who have testified
549	made references to the assistance provided to the Second
55 F	contra arms resupply effort by Colonel James Steele, the
551	then military assistance group commander in Country Seven.
552	who in the Department of Defense had authorized Colonel
663	steeleds restigination in this operation?

NAME: IR 19582PH CHILASSIT.LD PAGE 27

554 *r. MCPTH. I don't know, sic.

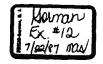
- 555 *r._BCLANC. Fid you ever report to anyone in the Defense
- 556 Department about the help Colorel Steele was providing to
- 557 the Secord resupply effort?
- 558 *r. NCETH. I'm trying to recall when Colonel Steele
- 559 arrived in the country in which he was assigned. It is
- 560 entirely possible that Admiral Moreau and I talked about it.
- 561 It is possible that I talked about it with General Gorman or
- 562 his replacement. But I don't recall those specific
- 563 conversations.
- 564 Mr. EOLAND. Was Colonel Steele subject to the command of
- 565 General Paul Gorman when General Gorman was the commander of
- 566 the Southern Command?
- 567 Mr. NOBTH. That is the point of my earlier statement,
- 568 because I don't recall when he arrived down there, sir.
- 569 Mr. BCLAND. I can understand. You testified here -- this is
- 570 the sixth day. You have had a million questions thrown at
- 571 you. I don't expect you can remember everything.
- 572 Now, you have testified that you had been advised that the
- 573 National Security Council was not covered by the Boland
- 574 Amendment. It won't surprise you to learn, I suppose, that
- 575 I believe that that advice was wrong. I don't think we have
- 576 to debate the coverage of MSC here with you.
- 577 I only want to know this. The CIA was covered by the
- 578 Boland Amendment, so was the DoD and also the State

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JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION

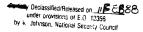
Continued Testimony of Oliver L. North

Wednesday, July 8, 1987 Afternoon Session

House Select Committee to Investigate Covert Arms Transactions with Iran

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Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition Washington, D.C.



Joint Hearings of the



Select Committee to Investigate Covert Arms Transactions with Iran

U.S. HOUSE OF REPRESENTATIVES

Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition

UNITED STATES SENATE



OFFICE OF THE CLERK Office of Official Reporters

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PAGE
          Fr. MIELDS. How about the Department of Defense, the
     Scuthern Command? Were there people there with whom you
1.-78
     discussed your role in the resupply operation?
          Hr. NCRTH. Again, I don't think I made clear my role to
 .:73
     people much below the level of Admiral Morrow, who had a
     detailed knowledge of it, until he departed for another
    assignment in Europe.
          I know that several people who worked for him on his staff
117 had some knowledge of what I was doing. There were
    cccasionally people who I would see when I was traveling who
    were military officers when I would travel to Central
     America who were American military officers.
          The Ambassadors of those countries saw me--on occasion, I
1281
an not saying they saw me every time or that I specifically
1283 sought them out on every trip, but they did see me.
          Mr. NIELDS. How about General Gorman?
1284
          Mr. NCRTH. I think General Gorman had a general idea of
1285
    what I was doing. General Gorman had been the predecessor
    to Admiral Morrow at the Fentagon. I visited with him
1287
     frequently, but I don't recall with these people sitting
     down and saying, by the way, over the next 30 days here is
129#
    what ollie Worth intends to do.
1291
          What is likely is I sat down and asked over the course of
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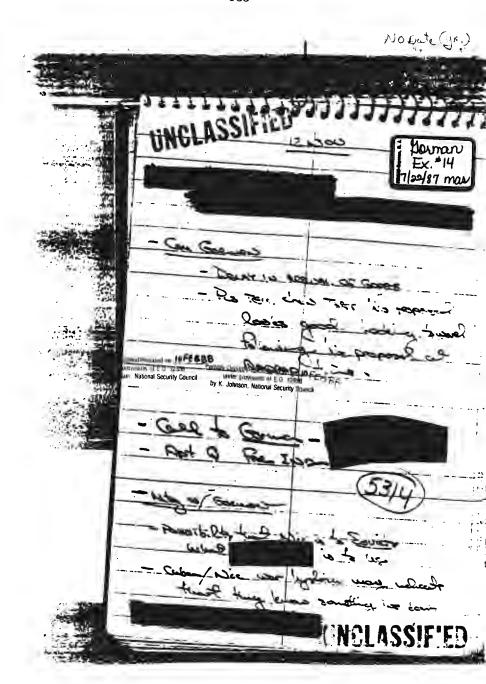
the next six months, do these sound like good ideas for the

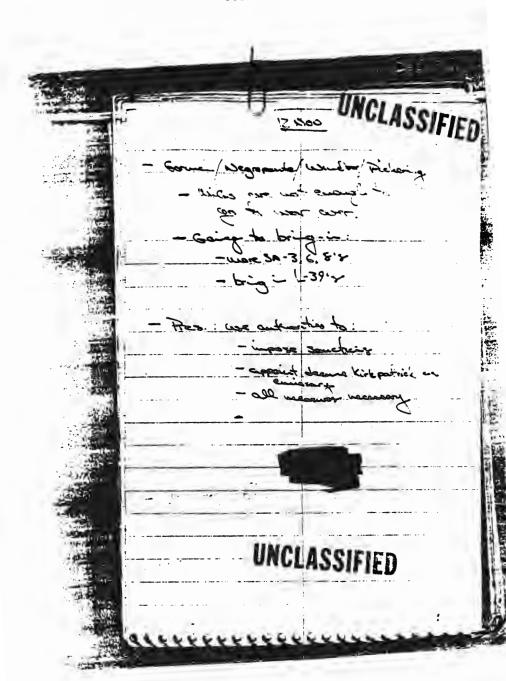
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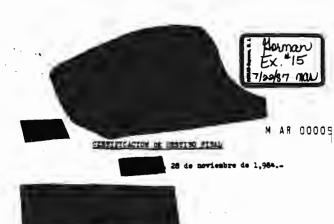
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NAME: IR18980EM UNCLASSIF
Nicaraguan resistance, and what is your advice on how they
    should carry those things cut? I am saying by inference
t_{
m cg5} these people came to know my role in supporting the
.;96 democratic opposition in Nicaragua, both military and
1297 political and in trying to engender support for it from
298 countries in the region, as well as in Europe.
         Mr. NIELDS. Would you turn to Exhibit 102? Do you have
1300 that in front of you?
         Mr. NORTH. I dc.
         Mr. NIELDS. Are those your notes of a conversation with
1303 General Gorman on the 19th of February 1985?
          Mr. NORTH. They certainly appear to be, because that is
1385 my writing, or a copy of lt.
      Mr. MIELDS. You have written there, told him--
         Tr. NCRTH. No. F.R. told his pricelty should be FDM.
87
1308 "Told him in delicate stage of transition from blank run of
1389 to blank run op with lurps and prowl," and I can't read
1310 beyond that, because it is all scratched out.
          Mr. NIELDS. You put in some blanks. You said blank in
1312 two places. There is nothing classified about either of
1313 those words. One of them is CIA and the other is Southern
1314 Command. "Delicate stage of transition from CIA run op to
1315 Southern Command run op. "
          Mr. NORTH. Right. That is referring to the country in
     which F.R. was living, and I trought that that was a
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by K. Johnson, National Security Cou Partially Declassified/Released on 10 F4688 under provisions of E.O. 12336 by K. Johnson, National Security Council UNCLASSIFIED 11111111111111111111111







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Hos diriginos a usted, para manifestarle que por este medio estamos extendiendo CERTIFICACION DE MESTINO FINAL por CUATRO HIL-SETECIENTOS VEINTICUATRO (4,724) fusiles CETHE calibre 7.62 NATO com sus sessecrios: y VEINTE (20) BROWNING 1919A4 emetralladoras calibre 7.62 NATO, que homos comprede de:

Este material especificade viene consignado para uso emilusivo del Ejército de proposado y no será reexpertado ni vendido aetro país, sicado de la constante de destino final.

Sin etre particular, aproveche la opertunidad para suscribirme de usted, como su atente servidor.

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CENTIFICATION DE BESTENO PARAL

14 de febrero de 1,98

Señores: ENERGY RESOURCES INTERNATIONAL 440 Maple Ave. East Viena, "a., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por te sedio estamos extendiendo CERTIFICADICII DE DESTINO FIL por DIEZ MIL (10,000) rifles automáticos, los cuales serdestinados para uso exclusivo del Ejército de no serán reexportados ni vendidos a otro país, siendo mala el destino final.

Sin otro particular, aprovecho la oportunitad para



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CENTIFICACION DE DECRINO FILAL

14 de febrero de 1,955.

Sefores: ENERGY RESOURCES INTERNATIONAL

Señores:

Nos dirigimos a ustedes, para manifestarles que por te medio estamos extendiendo CERTIFICACION DE DESTINO FI por DIEZ MIL (10,000) libras de explosivo (EE) - C4 o CE UM MIL QUINTENTOS (1,500) detonadores variados, los cual serán destinados para uso exclusivo del Ijército de

y no serán reexportados ni vendidos a otro país, sien el destino final.

Sin otro particular, aprovecho la oportunidad para cribirme atentamente.



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CERTIFICATION DE DESTINO FINAL

.14 de febrero de 1,98

S. lores: ENERGY RESOURCES INTERNATIONAL 440 Maple Ave. East Viena, Va., 22180.

Sefores:

Nos dirigimos a ustedes, para manifestarles que por te medio estanos extendiendo CERTIFICACION DE DESTINO FI del material que a continuación se detalla, el cual será tinado para uso exclusivo del Ejército de y no rá reexportado ni vendido a otro país, siendo destino final:

- A. 150 ametralladoras B. 150 morteros de 60mm. -completos.. C. 100 morteros de 81mm. -completos.. D. 150 lanzagramdas K-79 E. -30 fusiles sin retroceso de 57mm.

Sin otro particular, aprovecho la oportunidad para cribirmo atantamente.



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CERTIFICACION DE DEUTINO FIUAL



14 de febrero de 1,985.

Señores: ENERGY RESOURCES INTERNATIONAL 440 Maple Ave. East Viena, Va., 22180.

Señores:

Nos diriginos a ustedos, para manifestarlas que por te medio estanos extendiendo CRRITIO.COM DE DESTINO FIN del material que a continue cin se derallas, el cual será destinado para uso exclusivo del Ejército de será reexportado ni ventido a otro país, siendo el destino final:

A. 10,000 granadas K-79. B. -3,000 granadas de 60mm. C. -2,000 granadas de 81mm.

Sin otro particular, aprovecho la oportunidad para s cribirne atentamente.



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k Johnson, National Security Council



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CERTIFICACION DE DESTINO FINAL

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14 de febrero de 1,985

Sefores: ENTRGY RESCURCES INTERNATINAL 440 Haple Ave. East Viena, Va., 22180.

Seisres:

Fo. dirigizos à ustedes, para manifestarles que por te medio estamos extendinado CERTIFICACION DE DESTINO FIX del material que a continuación se deralla, el cual será tinzio para uso exclusivo del Ejército de la reexportado ni vendido a otro país, siendo destino final:

A. 3,000 gransdas RPG-7. 3. --100 lansagranadas RPG-7.

Sin otro particular, aprovecho la oportunidad para a cribirne atentamente.



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CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985

Sefores: ENERGY RESOURCES INTERNATIONAL 440 Maple Ave. Tast Viena, Va., 22180.

Sefores:

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Sin otro particular, aprovecho la oportunidad para cribirze stentagente.



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CONSTRUCTOR DE BUSTONS FALAL

14 de febrero de 1,925

Señores: ENZAGY RESOURCES INTERNATIONAL 440 Maple Ave. East Viena, "a., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por e te madio estamos extendiendo CERTIFIC.JICH DE DESTINO FINA por DIEZ MIL (10,000) rifles automáticos, los cuales serán destinados para uso exclusivo del Ejército de no serán reexportados ni vendidos a otro país, siendo mala el destino final.

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CL TIFICACION DE DESTINO FINAL

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Señores ENIRGY RESOURCES INTERNATIONAL 440 Maple Ave. East Viena, Va., 22180.

Sedcres:

Nos dirigiros a ustedes, para manifestarles que por te medio estamos extendiendo GERTIFICACION DE DESTINO FIN por CIECO MILLONES (5.000,000) de cartuchos Ball Anno, ca bre 7.62mm., los cuales serán destinados para uso exclusi del Ejército de y no serán reexportados ni vend dos a otro país, siendo el destino final.

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November 7, 1984

EXHIBIT

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EYES ONLY

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ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM:

OLIVER L. NORTH

SUBJECT:

Clarifying Who Said What to Whom

ADM Poindexter indicates that the Director called you expressing concern that I had discussed with a Mr. Myers: Calero, MIGS, dollars, etc. The following chronology may be helpful in clarifying the situation.

Monday, November 5 (p.m.). Calero called from Miami, using appropriate one-time-pad, expressing grave concern about delivery of HIND-D helicopters at El Bluff. He was very distressed that the Agency had not forewarned the FDN of the delivery and that by the time he learned of it from his own assets, it was too late to position forces in an effort to interdict/destroy the helicopters It was obvious that Calero was well aware of the threat the MI-24's pose to his forces in the field. Calero indicated that he was undertaking plans to "take-out" the HIMDs and asked that he be given all possible information on the location of the helicopters. I told him I would try to get the information to him.

Later this same evening, Leal Fed Sob Vickers (NIO for Latin America) end GEN Paul Gorman and asked themsee all we had on the location of the HIMD-D's.



Subsequent to this call, I called Calero, again using appropriate code, and advised that the HINDs had been moved

and could be provide any HUMINT assets on-scene. At this point calero suggested that he come to Mashington to meet with me f At this point few hours prior to departing on Wednesday (Nov 7) for Teguc' I agreed to meet Calero here in Washington later in the afternoon.

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Tuesday, November 6 (p.m.). the new Central American
Task Force (CATF) Chief (who has recently replaced)
Called to provide additional information
During the course of his call, he indicated that
Calero was coming

to Washington unexpectedly. I told that Calero would be meeting with me and invited him to sit in. We discussed the matter and agreed that would meet separately with Calero in view of the Agency's determination that Section 8066 of the CR forebade the Agency from providing any information or assistance to the FDN.

Calero and I met privately mid-afternoon. During the meeting, Calero advised me that he had undertaken a plan to "borrow" a T-33, which would be used to strike the location where the HINDs were being assembled. He indicated that the T-33 would be painted with Sandinista Air Force markings and that the aircraft would probably have to land at the aircraft would probably have to land at the information on the location of the HINDs and the Sandinista anti-air defenses. We also discussed longer-range planning for a Calero-Cruz coalition and the requirements for military cooperation with the MISURA in the seizure of Puerto Cabezas.

The meeting with Calero was terminated by the 5:00 p.m. CPPG and Calero returned to Miami on a 6:30 p.m. flight. After the CPPG, I again called and asked for any further updates on the HINDs and new info on the MIG's. indicated that he was unable to meet with Calero on this trip due to the short lead time in notice of his arrival.

then asked if I was aware of a tasking to the NIO for an assessment of the Resistance capabilities. I told him that I was and that this was a fall out of the CPPG. I noted concern that State was of the opinion that the Resistance had become largely ineffective since our funding had run out in May 1984. Shared my assessment that quite the opposite was true and that the Resistance obviously had considerable outside support. I asked life he was aware of the source of the Resistance funding. He told me no, that CIA had been trying to determine this, but that it was obviously substantial. I told that it was important that the SNIE reflect the fact that there was substantial outside support which had continued for some months and showed no signs of abating. Wagreed that this was the case. I asked him if the dollar amounts could be quantified.

Presponded that they were spending at least \$1 million per month. I told that the SNIE should include this estimate.

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During this discussion, I apprised of Calero's plan to "borrow" a proper of the proper of the proper of the proper of the proper of the proper of the proper of the property o

Wednesday, November 7. GEN Paul Gorman called at 1200 to relay new information on collection efforts for MIGs and the HIND aircraft.

At 1300 Calero called from Tegucigalpa again, using appropriate codes, and requested any available information on the HINDs and anti-air defenses. He indicated that he had tasked one of his column leaders to insert a man into to observe. Calero advised that he would dispatch his pilot to to the HINDs.

At 1330 VADM Moreau confirmed requests we had made and the modifications

At 1345 Called to report additional Honduran airspace incursions by Sandinista helicopters in the vicinity of Cerro la mole (southwest of Tegucigalpa). I again noted the need for additional intelligence on the HINDs and that Calero was moving to implement the T-33 option.

Thursday, November 8. At 1445 ADM Moreau delivered

At no time did I discuss with financial arrangements for the FDN. At no time did I indicate that Calero was attempting to attack the MIGs. I specifically told that Calero was attempting to collect information on the MIGs. I and would pass this information to a CIA agent was available.

RECOMMENDATION

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That you authorize me to continue as planned with Calero.

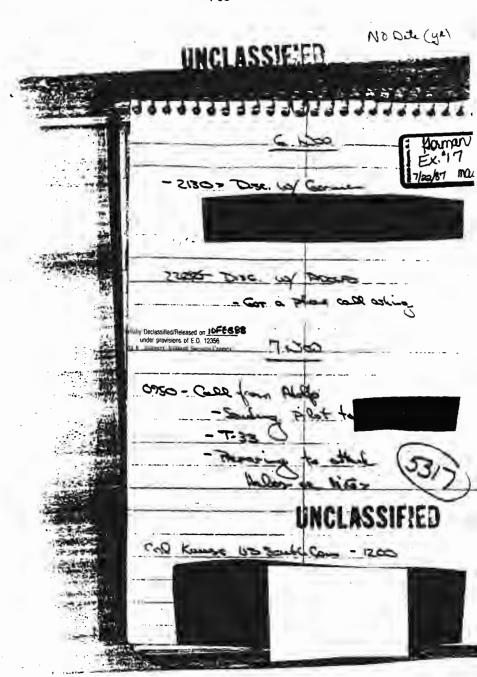
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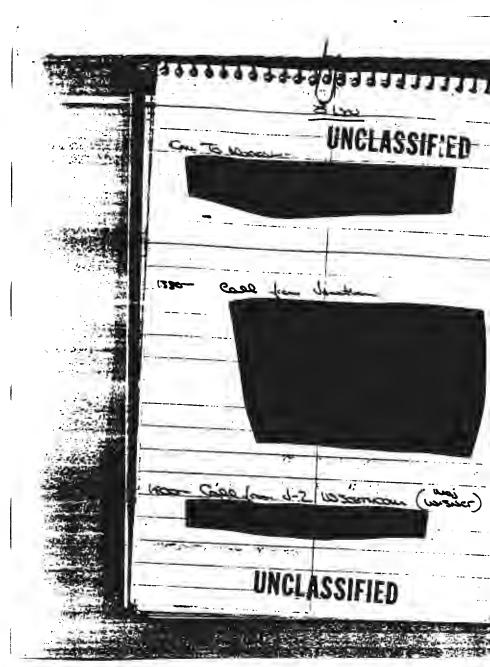
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UNITED STATES SENATE

SELECT COMMITTEE ON
SECRET MILITARY ASSISTANCE TO
IRAN AND THE NICARAGUAN OPPOSITION

DEPOSITION OF DANIEL O. GRAHAM

Washington, D. C.
Tuesday, May 26, 1987

Deposition of DANIEL O. GRAHAM, called for examination pursuant to notice of deposition, at the offices of the Senate Select Committee, Suite 901, Hart Senate Office Building, at 10:10 a.m. before WENDY S. COX, a Notary Public within and for the District of Columbia, when were present:

CHARLES KERR, ESQ.
Associate Counsel
United States Senate Select
Committee on Secret Military
Assistance to Iran and the
Nicaraguan Opposition





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UNCLASSIFIED CONTENTS WITNESS EXAMINATION Daniel O. Graham by Mr. Kerr EXHIBITS GRAHAM EXHIBITS IDENTIFIED Exhibit 1 Exhibit 2 Exhibit 3 Exhibit 4 UNCLASSIFIED

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Whereupon,

DANIEL O. GRAHAM

PROCEEDINGS

was called as a witness and, having first been duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. KERR:

- General, would you state your full name for the record, please.
 - Daniel O. Graham.
- Let's put on record both your home and businesses address, please.

- Q Okay.
- 1010 Vermont Avenue, Washington, D.C.
- Would you describe your educational background, please, General.
- Public schools in Oregon, U.S. Military Academy, West Point, and various military schools thereafter.
 - When did you graduate from West Point? Q
 - Graduated in 1946.
 - Your current employer is who?

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A Me.

Q Okay.

A I run an organization called High Frontier.

Q What is High Frontier?

A High Frontier is a public education effort promoting the use of space for security and commercial advance.

Q How long has High Frontier been in existence?

A Since 1981, September '81.

Q You founded High Frontier; is that correct?

A I did.

Q Is High Frontier a corporation of some sort?

A It's a not for profit corporation.

Q Do you hold an office in High Frontier?

A Yes, I am the director.

Q If you would be good enough to give us a chronological review of your career with the service, that would be most helpful for me.

A Well, I went into the -- into West Point in 1943, graduated 1946, served in Germany until 1951, returned to the U.S., assigned to 11th Airborne Division, sent to Monterrey to learn Russian, assigned to Special Forces, left Special



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Forces to go to Korea, commanded an infantry company.

- Q When were you in Korea?
- A '54-'56.
- Q Okay.
- A Returned to 101st Airborne Division, and to Leavenworth command and general staff college.

Assigned to assistant chief of staff for intelligence, U.S. Army, Pentagon.

- Q When was that?
- A . That was 1958. Left there in 1963 to become -- to work at CIA with the Office of National Estimates.
- Q Office of National Estimates is roughly the intelligence directorate at the present time?
- A No, it was not then or is it now an intelligence directorate. It is the intelligence organization that makes estimates for the top executive levels from all the intelligence gathered. It is an analytical effort.
- Q All right. What position did you hold with National Estimates?
 - A I was a staff officer.
- Q Staff officer. Did you have a particular area that was your responsibility?



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- A Soviet, Soviet military.
- Q Thank you. You were with the CIA from '63
- through --
 - A '66.
 - Q What happened then?
 - A '66 I took command of a battalion in the U.S. Army Pacific, 319th, military intelligence battalion.
 - Q Okay.
 - A '67 I went to the U.S. Army War College in Carlisle barracks and then was reassigned to Vietnam, where I was the chief of current intelligence and estimates for MACV headquarters.
 - Q Give me a time period for that, General.
 - A That was from August '67 through August '68.
 - Q Thank you.
 - A Returned to CIA, to the Office of National
 Estimates again. I was there until 1971, when I became a
 brigadier general, was --
 - Q Wait. Let me just hold you there for a minute.

 When you were with the CIA, Office of National Estimates, '68 to '71, what positions did you hold?
 - A I was again an analyst of Soviet military



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- Q Thank you. You left the CIA in '71 and became a brigadier general; is that correct?
- A That's right. I became director of collections in DIA and then director of estimates, and then in -- wait a minute, that was 1970. Then in 1972, I was assigned to CIA again, was a major general, and I was a part of the new intelligence community staff.
- Q This is a staff that reports to the director in his role as head, chief of the intelligence community?
- A Well, yes. It attempts to coordinate intelligence activities of the entire intelligence community.
 - Q Okay, I am sorry.
- A For the director, CIA. Then by date, I am not quite sure, but in early '73, I became the deputy for intelligence community affairs to then-Director Colby. 1974, I was reassigned to DIA as a director, Defense Intelligence Agency, and retired from that position in January '76.
- $\ensuremath{\mathtt{Q}}$. At the time you retired you held the position of major general?
 - A Lieutenant general.
 - Q Lieutenant general. You became lieutenant general

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when, sir

- A In '73.
- Q I will just go back and pick up on a couple of things. When you were with DIA as director of collections, that would have been, roughly, 1969; is that right?
 - A No, no, no, that was 1970, '71. I --
 - Q Okay.
- A By '71, I had changed jobs within DIA to be the first director of estimates. They hadn't had such a job before.
- Q You were director of estimates, roughly, '71, is that right, '71?
 - A '71, '72, right, before I went back out to CIA.
- Q Tell me, what does the director of collections do? What was your mission?
- A Director of collections mostly ran the attache corps. Also coordinated all the collection activities of the services.

Attempted to, I should say.

- O The director of estimates, what was that about?
- A Director of estimates was to take all incoming information and attempt to predict events. It's as the words

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sound. Estimates, you take all the information, you see if you can, what is your best judgment as to what is going to happen.

- Q Essentially a forecasting kind of an --
- A Well, it's mostly forecasting. It is the peak of the intelligence effort, really, in that you take all the information that comes in and see if you can't make some sense out of it.
- Q Okay. Let me talk to the position as deputy for the intelligence community to Director Colby. Can you describe for me what that job function amounts to?
- A Well, that function was essentially one of seeing if you couldn't get the maximum amount of cooperation, minimum amount of overlap between the various elements of the intelligence community.
- Q Then when you became director of DIA -- it would be helpful to me if you could give a capsule description of what the mission of DIA is. What does DIA do?
- A DIA coordinates all military intelligence activities.
- Q So the intelligence functions within the various branches of the service feed information to DIA; is that



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correct, or is that incorrect?

- A That's incorrect.
- Q At the time that you were director of DIA, who did you report to? Who was your immediate superior?
- A The Secretary of Defense and the chairman of the Joint Chiefs.
- Q In the period 1974 through 1976, when you were a director of DIA, did DIA have operational missions, functions?
- A Yes. It ran the attache corps. These -- all these questions, by the way, are on the public record.
- Q There is no question about that. I just want to establish a bit of background for people that read the deposition can fit into it, so we will try to pull it together quickly, but by way of background it would be helpful to me if you could describe the operational aspects of DIA in the period of the time when you headed DIA, attache corps I understand. Were there other operations?
- A Attache corps, direct control of other operations. DIA did not have -- it was mostly input and quidance to other organizations.
 - Q During the time that you were with DIA, let's

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focus on the period of time when you were director, did you have occasion to become involved in the covert purchase of arms?

A No.

Did DIA have a covert logistics branch or unit at that time?

А No.

Insofar as DIA or its components needed covert logistics support, did it obtain that support through CIA?

I don't recall any case where DIA needed any covert logistics support; had I needed any, I would have gone to either one of the services who had such activities under their cognizance or to CIA.

Following your retirement from the service in January of 1976, what position did you take?

Well, the first position I took was as an adjunct professor at the University of Miami -- Florida, that is. Then I took a position with the -- in, oh, about '78, I guess it was, with the American Security Council as a co-chairman of their Coalition for Peace Through Strength. And then in 1981 I established High Frontier.

Let me go back to the times you were at the

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1	University of Miami. You were professor of what at that
2	time?
3	A Military strategy.
4	Q Was this in conjunction with an ROTC program or -
5	A No, it was in conjunction with a think tank that
6	was part of the University of Miami, called the Institute for
7	Advanced Strategic Studies.
8	Q In 1978, when you were with the American Security
9	Council, can you give me a capsule description of what the
10	American Security Council is?
11	. A American Security Council is an organization that
12	supports strong intelligence, or military support. It
13	supports defense appropriations and so forth.
14	Q It is privately funded, I take it?
15	A Yes, it is.
16	Q General, apart from your involvement in High
17	Frontier, are there any other corporate entities or
18	partnerships in which you hold a more than 5 percent
19	interest?
20	A No.
21	Q You knew Barbara F. Studley, I believe?
22	A I do.

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1	Q Can you tell me how you met Ms. Studley?
2	A I met her when she was a broadcaster in Miami, and
3	she invited me to be a guest on her radio talk show.
4	Q Were you living down in Miami at that time?
5	A No, I have never lived in Miami.
6	Q Can you place that, roughly, in time, when you
7	first met her?
8	A Oh, I think it was about 1977.
9	Q And she asked you to appear on her show to be a
10	guest speaker; is that correct?
11	A Oh, no, a guest on a talk show, talk about
12	military affairs.
13	Q And in terms of your relationship with her, could
14	you describe how that evolved, if it did?
15	A Well, I did perhaps two or three shows, but I
16	can't remember how many. Then she came to Washington and I
17	met her again. We did another radio she did a short radio
18	stint here in Washington, I did another show with her.
19	Q She came to Washington, D.C., I believe, in about
20	June of 1984. Does that sound
21	A I don't know.

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Did you have occasion to talk or work with her in

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1	the formation of her firm, Geomilitech Consultants
2	Corporation?
3	A No.
4	Q What knowledge do you have of Geomilitech,
5	General?
6	A All I know is that she runs it and it's an
7	international trading firm in high-tech items.
8	Q You have never had occasion to be listed as an
9	advisor
0	A No.
1	Q Director, other function?
.2	A No, I have had no function.
.3	Q Do you know General Jack Singlaub?
4	A Yes, I have known him for a long time.
.5	Q Did you know him when you were in the service?
.6	A Yes, he and I served together in Vietnam.
7	Q In terms of his relationship to Geomilitech, GM
8	have you had occasion to discuss with him his relationship
ا 19	with GMT?

A Not that I recall. I knew that he was associated, but I don't recall how I found that out. I don't think it was through conversation with him.

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by

1	Q General, in the subpoena that was served on you b			
2	the House of Representatives, there's a request for			
3	documents. Were you able to locate any documents that would			
4	be within the ambit of that subpoena?			
5	A No.			
6	Q Do you know Lieutenant General Robert Schweitzer?			
7	A I have met him, yes.			
8	Q Did you have any involvement in the decision by			
9	GMT to hire General Schweitzer in August-September of 1986?			
10	A No.			
11	Q Do you recall being contacted in late 1984, early			
12	1985, with regard to a request for a recommendation on an			
13	arms broker who might be utilized by General Singlaub or			
14	Ms. Studley?			
15	A Contacting me about that? No.			
16	Q Do you know a gentleman by the name of Werner			
17	Glatt, G-l-a-t-t?			
18	A I do, yes.			
19	Q How do you know Mr. Glatt?			
20	A I met Mr. Glatt at a social affair at my son's			
21	house, I think it was 1983, and I have I have known him			

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1	Q Your son's full name is what?
2	A Daniel O. Graham, Jr.
3	Q Where does he live?
4	A He lives in Alexandria.
5	Q Can you give me an actual address for him?
6	A No, I can't.
7	Q It was a social function at which you met
8	Mr. Glatt?
9	A Yes.
10	Q Have you ever had occasion to do business with
11	Mr. Glatt?
12	A No. I have, you know he has supported my High
13	Frontier effort, at least in 1984, and he made donations to
14	my effort.
15	Q What is your understanding of the nature of
16	Mr. Glatt's work?
17	A Mr. Glatt is a combination of a sheep farmer and
18	arms trader.
19	Q He owns a farm in Virginia; is that correct?
20	A Correct. He also owns one in Scotland.
21	Q Have you ever had occasion to discuss with him hi
22	business as an arms broker?



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Yes.

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Q Can you describe the nature of those discussions?

A I knew that Barbara Studley and Jack Singlaub were trying to find a way to -- trying to find an honest and effective broker to get arms into the so-called Contras, and I asked him if he wouldn't give them a hand.

Q Can you place that in time?

A Oh, I think it was early '86.

Q '86 or '85? The arms transaction itself was consummated in May of 1985, delivery was made in July --

A Oh, yes, it was early in '85, that's right.

Q Describe for me the circumstances under which you either came to know that Studley and Singlaub had this interest or came to discuss it with them.

A Well, I knew that Jack was involved in doing what he could to help the Contras. I can't recall exactly what the conversation was, but somehow it got around to the proposition that they were trying to figure out whom to use as a broker; and I said, look, I know a man who is effective and honest, and you ought to use him.

Q Do you recall who you gave that information to? Did you give it to both Studley and Singlaub?



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kind.

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A No. I think I just gave it to Studley.	I don't
remember talking about this, and I never introduced	Glatt to
Singlaub, but only to Studley.	
Q Can you give me your best recollection of	the
circumstances under which you had the conversation w	ri + h

I think, as I recall, I was just having lunch with Mrs. Studley and perhaps her son. I am not sure. any rate, there were more people than just me and Mrs. Studley, and that's when the conversation occurred.

Studley, where it was, who else was present, anything of that

Do you recall if there was simply one conversation, or did you have a series of conversations with her or her son about this matter?

I never did discuss it with her son, but I probably had other conversations. I don't recall them. I must have in order to set up a place for Glatt to meet -- I am going to get the ashtray over here, if I might.

- Fine. Q
- For Glatt to meet Studley.
- Before we come to that, let me ask you a couple of other questions. In terms of the recommendation you gave for



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1	Glatt, you recommended him as basically an honest broker, I
2	take it.
3	A Correct.
4	Q How did you know that he was an honest broker?
5	A Well, I had talked to Colonel Norman Blaylock,
6	briefly, about Glatt, and I also, indirectly, in my previous
7	business in intelligence, knew that not all arms dealers were
8	honest brokers. So I didn't want to see Jack and Barbara
9	Studley squander other people's money.
10	Q Now, Blaylock has acted as
11	contact point with Werner Glatt for some time, you were aware
12	of that?
13	A' Yes, I was.
14	Q Did you come to that awareness with the work you
15	had done through either DIA or CIA?
16	A No.
17	Q How did you do that?
18	A It was rather incidental. Blaylock was a friend
19	of my son's, got to know Blaylock personally, didn't know he
20	existed when I was in DIA.
21	O But Blaylock told you he had done business with

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Glatt; is that correct?

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1	A No, not exactly. And, as a matter of fact, I				
2	can't remember, and if I did, it would be pure hearsay, but				
3	somehow I knew Blaylock had dealt with Glatt in the supply o				
4	arms to somebody. I didn't even know whom.				
5	Q Yes, that was my next question. Did you know who				
6	actually was the purchasing entity?				
7	A No.				
8	Q Your son's profession is what?				
9	A My son is an investment consultant.				
10	Q Does he have occasion to engage in arms				
11	transactions?				
12	A No.				
13	Q So these are the relationship with Glatt and				
14	the relationship with Blaylock is simply social, as far as				
15	you know?				
16	A That's right. He deals in soybeans, pork bellies				
17	but not arms.				
18	Q Got you. Could you describe your relationship				
19	with Glatt in terms of how frequently you see him.				

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twice a year, probably, since 1983, when I first met him.

Oh, I have seen him, maybe, an average of once,

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consider him a friend.

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Do you have any knowledge of Glatt's background activities going back to World War II?

No. Well, yes, I knew he was a private in the German army in the French occupation.

Did he ever describe to you his early years in the arms business?

Yes, I think he has mentioned some anecdotes about

Q In terms of the background relationship, have you ever had what I would describe as a business transaction

involving Glatt, where you were paid a commission, received any remuneration of any kind for referring business to Glatt?

No.

his business.

With regard to the reference of Glatt to Singlaub and Studley, did you receive any remuneration or recompense of any kind?

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Α	None

- Q I would be correct, then, that you have never acted as a commissioned agent of any kind for Glatt?
 - A Never.
- Q Let's proceed in the other direction. After you mentioned Glatt's name to Studley, can you take the next step in terms of how you put Glatt and Studley together?

A As I recall, I made a lunch date between myself, Glatt and Barbara at a hotel, I think it was the Carlton; and then something came up, and I forget what it was, but I couldn't have lunch with them. So I just introduced them, stayed with them about 10 minutes, and I had to take off.

- Q So at that lunch it was just Mrs. Studley and Werner Glatt; is that correct?
 - A Yes.
 - Q General Singlaub, for example, was not there?
- A No, he was not there. That's one thing your colleagues apparently thought, but is not so, that I had introduced him to Singlaub. I never have been in the same room with Glatt and Singlaub.
- Q All right. In terms of what transpired at that meeting, do you have any knowledge from Studley or Glatt as



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to what happened at that meeting?

- A Not directly. I knew that the deal was made, later, but I got no --
 - Q Got no immediate feedback?
 - A I got no immediate feedback, nor did I want any.
- Q I understand. In terms of that arrangement, what knowledge did you have over time of the arrangement that was entered into between Studley and Glatt?
- A Very little. I just knew that it had happened, I knew the delivery was made. After the delivery, Mrs. Studley contacted me and told me of some action that occurred that perturbed her, having to do with some folks

that were not part of the deal showing up when the ship arrived.

- Q This would be Mario Dellamico?
- A I don't know what their names were.
- Q Okay.
- A And sounded strange enough that I said that, really, she ought to tell Bill Casey. So I arranged a meeting with Bill, myself and Barbara so that she could tell him directly.
 - Q This meeting would have taken place approximately



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December 20, 1985?

A Toward the end of '85. I don't remember exactly when it would have been.

Q I am going to come back and cover this territory in a little more depth, but let me focus in on terms of who was at that meeting. The meeting took place at Langley, I take it?

- A That's correct.
- Q Besides Mr. Casey, was there at the meeting, besides Mr. Casey?

A I don't remember anybody else who was there besides myself, Barbara and Bill, no. To my best recollection, I think we were alone.

- Q Do you know
- A No.
- Q Prior to this meeting with Mr. Casey, had you ever had occasion to discuss Ms. Studley or her companies with Mr. Casey before?
 - A No.
- Q All right, I will take you back in time. With regard to the transaction between Studley and Glatt, did you have any conversations with Glatt about that transaction, up



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until time of what you have described as the trouble or the
difficulties down did Glatt keep you posted?
A No, he didn't.
Q With regard to Ms. Studley's firm, had you ever
had any arrangement with them with regard to various types of
military material that they are in the process of trying to
sell, either Israeli material or any other such material?
A No.
Q Have you ever received any remuneration from GMT?
A No.
Q Or from Mrs. Studley in any other capacity?
A No, I haven't even gotten a donation for High
Frontier from her.
Q Okay, fair enough. With regard to that
transaction, what knowledge, if any, did you have with
contacts between Studley, Singlaub or Colonel North?
A I had no knowledge of that.
Q Did you know Colonel North at that point?
A Thave met him socially. Thaven't exchanged more

So North's involvement in arms acquisitions for the Contras, be it through Singlaub, Studley or otherwise,



than 20 words with the man.

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was not something you were privy to at the time?

- A I knew nothing about it.
- Q Let me come to your relationship, in general, with Casey. Could you describe what your relationship with him was?
- A I knew Casey from the 1980 campaign. When he became campaign chief.
 - Q Right.
 - A And I was one of the military advisors.
- Q In terms of how that relationship developed, I assume when he was heading up the campaign, you got to know him in the context of the campaign; is that correct?
 - A Yes.
- Q When he became director of the Central

 Intelligence Agency, did your relationship continue, and, if
 so, was it a business relationship, or simply a social
 relationship?
- A Oh, it was kind of a policy relationship. I had no -- it was only incidental social contact with him, but I have always felt that if I had anything that was important to his function, I could contact him and he would listen, which he did.

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Q Can you describe for me the archetypal circumstances under which you would have come in contact with Casey in the period '81 through '86. What kinds of occasions did you come in contact with him?

A Well, one occasion was he was trying to get Inman to become his deputy. I told him of a fine Air Force three star who would serve just as well, in my view. That was Lieutenant General Lincoln Faurer, F-a-u-r-e-r, who had been the head of NSA. No, he had not been head of NSA. He had been one of my deputies at DIA and subsequently became head of NSA.

Q Yes.

A Then another time was after I had got to know Glatt, I was -- I went to see Casey about the SDI issue, and told him in addition that in arms situations, that he would be a lot better off with Glatt than most of the arms dealers that I had ever encountered. So, that was, incidentally, not at the behest of Glatt, but just because I thought it was a good idea.

Q Can you place that time for me.

A Oh, boy, that was -- that must have been in '84, I am not sure when it was.

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him.

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Q In connection with --

A Maybe late '83, because it was shortly after the president sounded off on SDI.

- Q Yes. Let me just ask you about that for a moment. You had that conversation with Casey where, at Langley?
 - A At Langley in his office.
 - Q Was there anybody else present?
- A Yes, there was -- no, I guess there wasn't. There was when I was talking about SDI and he had some people in, and I think I mentioned this business of using Glatt personally to him in his office. I don't think anybody else was there.
- Q Did he say anything else to you about Glatt at that time?
 - A No. It seemed to me that he had never heard of



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Q Totally aside, have you ever come in contact with another arms merchant by the name of Emmanuel Weisenberg?

- A No.
- Q Or Weigensberg or Wiggins?
- A Not to my knowledge.
- Q Let me take you back. You had that one conversation with Director Casey about Mr. Glatt. Were there any other occasions that you discussed Glatt with Casey other than the meeting that you have told me about?
 - A No, I haven't.
- Q Now, you were running through the contacts that you had with Casey. Are there any others that you can recollect that would be descriptive of your relationship with Casey in the subsequent period?
- A No. They -- the only other incident, and this was -- had nothing to do with what you call the ambit of this effort, it had to do with my suspicions that there could have been sabotage to our space program.
 - Q This would be post-Challenger?



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1		A	Yes,	post-Chal	lenger
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- Q Let me focus in on Glatt once again. Have there been any other persons or entity that you have referred to Werner Glatt, other than Studley and Singlaub?
 - A No.
- Q Again, so I'm perfectly clear, you, yourself, have never been involved in an arms transaction utilizing Glatt; is that correct?
 - A Never.
- Q Let me come to that question of troubles. Did

 Mr. Glatt, himself, contact you about difficulties that arose
 after the delivery of these munitions to the Contras?
- A He did not. I got all that information from Barbara.
- Q If you were to try a place in time when it was that Mrs. Studley contacted you about this problem, what would be your best estimate?
- A Oh, sometime after midyear in 1985. I am not certain.
- Q Let me show you a memorandum from Mrs. Studley to Colonel Oliver North, which she has indicated was also delivered to Director Casey, which seems to be the same



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meeting you are describing. I would like to have it marked as Exhibit 1. If you wouldn't mind, General, if you could take a look at it and see if you have ever seen the whole document or any pieces of it.

(Graham Exhibit 1 identified.)

(Discussion off the record.)

BY MR. KERR:

- Q With regard to Exhibit 1, General, do you recall having reviewed this document or any portion of it?
 - A No.
- Q With regard to the matters that are discussed in the document, are you familiar with them? Particularly the covering memorandum.
 - A No.
- Q The incident that is described in the attached memorandum, entitled "observations and explanations," which is a report by Mrs. Studley's agent how delivery of the goods was taken are you familiar with those events, either directly or indirectly?
- A In general, yes, because Mrs. Studley described some of the activities there that disturbed her. I didn't care about the details, but she told me enough that it looked



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like something strange was going on with that delivery, and I said you need to inform Casey, not me. So I arranged for that to happen. She did give documents, I know, that included the bill of lading for the shipment to Mr. Casey.

Q Let me just ask you a couple of specific things here. There is a mention in this memorandum to a series of shipments, apparently being expected by Colonel North, that had been arranged by Werner Glatt, a series of five shipments. Do you have any knowledge of shipments that Werner Glatt was arranging for Colonel North?

A No, I didn't -- I knew of no relationship whatsoever between Werner Glatt and Colonel North.

- Q And that's true to this day, I take it?
 - A That's true to this day.
- Q In terms of why you felt it was a good idea for Mrs. Studley to discuss this matter with Director Casey, can you describe that for me, what was motivating, why did you think it was appropriate?

A Well, it sounded to me like it was a possibility that other arms merchants were upset that Glatt got to do it better than they could, and that they got less profit if Glatt was involved, and I am sure that is true. I am sure it



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is true.	I am not su	re they were	upset. I	am sure i	t is
true that	Glatt would	give anybod	y a better	deal than	those
other rase	cals.				

- All right, I am with you. That's a nice a way of describing them, as I suspect you can describe. With respect to one of the brokers here, Ron Martin, have you ever had any occasion to know about or hear anything about Mr. Martin?
- I have heard his name crop up as probably involved in whatever the discrepancies were or the problems involved in the landing of that cargo. But I don't know the man. have inquired of friends in Miami as this guy, and they just say, oh, yes, he runs an arms -- he is an arms dealer.
- Did you ever learn of or hear about any threats made with General Singlaub by Mr. Dellamico on behalf of Mr. Martin?
 - Α No.
- All right. Now, let me take you to the meeting with Director Casey. Can you give me your best and fullest recollection of what transpired at that meeting?
- I introduced Mrs. Studley to Bill, and remarked that no matter how she looked, she was efficient, and that she had some information that he ought to have regarding



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shipments of arms into the Contras. Mrs. Studley then
related in general what the problem was and left a set of
documents with Bill Casey. The meeting must have lasted $% \left(1\right) =\left(1\right) \left(1$
about 30 minutes, 20, 30 minutes.

- Q All right. Do you recall any discussion at that meeting about Mrs. Studley's interest in becoming an arms dealer to the Central Intelligence Agency?
- A No. I do recall her saying that she had undertaken this effort at no profit.
- Q Do you have any recollection of her, either directly or indirectly, suggesting to the director that she would be interested or available for the purpose of procuring arms covertly for the Central Intelligence Agency?
 - A No, I don't recall any such remarks.
- Q What is your recollection of Director Casey's response to the presentation that Mrs. Studley made to him?
- A Essentially what he said, that he would look into it. He did not admit to any connection with any of the people that she named. He just said that he would look into it, and he thanked her for the bill of lading and what other papers she gave.
 - This memorandum to North makes a rather

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impassioned plea for help and assistance, vis-a-vis Martin and Dellamico, and expresses concern about the consequences of the incident describing the memo for the arms agent known as W.

Do you recall any sense of urgency or concern being projected by Mrs. Studley at this meeting with Casey?

A Yes. She was concerned that -- this is just -- I am not quoting anybody directly. I am just saying my sense of her concern was that it appeared that somebody was trying to damage Mr. Glatt. I, myself, said to Casey, that if it's any of your quys, you ought to square them away.

Q All right. And Casey did not indicate it was his people?

A No, no. He never said yes, it's my people, and, yes, I will square them away and so forth. He just nodded like a wise old owl.

Q At any point in time, from any source, has it come to your attention, either directly or indirectly, that Mr. Martin did have a relationship, or Mr. Dellamico, did have a relationship with the Central Intelligence Agency?

A No, I have heard nothing but speculation. I know nothing directly about that.



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1	Q Following let me stop that there. On the
2	meeting itself, do you have any recollection, further
3	recollection, of what transpired at that meeting with Casey?
4	A No, that's about it.
5	Q Did Casey make any commitment to get back to
6	either you or Studley?
7	A No, he didn't.
8	Q He said he would look into things
9	A No, he didn't.
10	Q Did you have occasion after this meeting to
11	discuss these matters with Director Casey?
12	A No, I have not.
13	Q Did you have occasion to discuss these matters
14	with Mrs. Studley after this meeting?
15	A Yes.
16	Q Can you describe the circumstances and what you
17	discussed with Mrs. Studley.
18	A Mrs. Studley well, I didn't really hear
19	anything more about it until this current affair became
20	public a public affair.
21	Q Let me just stop you so we can place that point in
22	time. Using the downing of the Hasenfus plane as a turning



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point, you would have had discussions with her post-Hasenfus or pre-Hasenfus?

A Post.

Q Post, okay. Give me a description of the nature of discussions you would have had.

A I discussed with Mrs. Studley the possibilities that Werner Glatt's business would be hurt.

And my concern that he sure didn't deserve it, and -- well, she shared those concerns, and her worry that not only his business but her business would be hurt in this affair, but that in -- her assurance, she had been assured that as far as the transactions between herself and Glatt were concerned, that it was completely above board, he didn't -- that there was no worry about -- there was no legal worry, the only worry was damage to operations.

Q All right. Can you give me an approximate time when you had this conversation with Ms. Studley, and was there more than one?

A Oh, I don't remember exactly when. Oh, it was shortly after the thing hit the newspaper. So I am not sure when.

Q Have you had more than one occasion to discuss



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1	this	with	Mrs.	Studle
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- Yes, I have. I have discussed it with her three times.
- In terms of the three occasions, has the nature of the discussion changed or the focus changed?
- Well, after your colleagues came to talk to me, and I could tell by their questions they knew a great deal about it, I wanted to find more about what they already knew before I talked to you guys.
 - Yes.
- And so I met with Mrs. Studley to find out what she knew; then I met with her and Mr. Glatt subsequently; because I was already in Europe, to find out just what the situation was.
- Did you have occasion at any of these meetings to meet with her attorney, Mr. Perito?
- I did meet with Mr. Perito, Perito, Pray or something like that, Berrera.
 - The one I know is Perito. 0
 - Perito, maybe it is Perito.
 - That's a large firm.
 - Has a whole bunch of guys.

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1	Q Lots and lots of guys. In terms of the meeting
2	with Studley and Glatt, where did that take place?
3	A In Frankfurt, Germany.
4	Q When, approximately, did that occur?
5	A Oh, it was approximately the 1st of May.
6	Q It was just yourself, Mrs. Studley and Mr. Glatt
7	A That's right.
8	Q Can you give me a synopsis of what you and they
9	discussed?
10	A Well, I just told them both that I had been
11	subpoenaed, and I wanted to know what was already known abo

A Well, I just told them both that I had been subpoensed, and I wanted to know what was already known about that situation, that I had no legal worries of my own but I wanted to know what damage this was going to do to their businesses.

- Q What were you told in that regard?
- A Well, that the hearings themselves weren't damaging the business, but that damage had been done by somebody who had notified -- had tried to get the same deal, tried to match Mr. Glatt's prices by getting to Mr. Glatt's sources.
- Q Was it referring back to this incident, the ones we are referring to?

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- A Well, apparently so, because I hadn't read that.

 Apparently at that juncture they were telling me things that are in that memo.
 - Q I see.
 - A And I had never seen that memo.
- Q I see. What I am driving at, was there any suggestion that that type of activity was going on inside the Congressional investigation?
 - A No, that it was going to publicize it, though.
- Q Okay. So they were concerned about the publicity --
 - A They worried more about publicity than the law.
- Q I understand. Anything else you recollect about that discussion between yourself and Glatt and Studley?
- A Strangely enough, most of it had to do with .

 Mr. Glatt's health, he had a severe health problem.
- Q Was there any discussion or request that you not reveal facts or information about this affair?
 - A No.
- Q The reason I ask, General, and I don't mean to be offensive about this, but we do have information that suggests that someone has advised Mrs. Studley not to turn

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over documents and information that are within the ambit of
the subpoena that has been served upon her, a suggestion
that, as far as I can tell, she did not take. But you,
yourself, have not made such a suggestion to her, I take it?

A No. I have commented that there has got to be some limit as to what the charge is, and that matters that are irrelevant to what is being investigated should not be volunteered.

Q Let me pursue that a bit further. I can understand that as a general comment. Let me take it a step further. Are there specific areas, transactions, documents or facts which you have suggested to either Studley or Glatt they need not or should not produce to these committees?

A No. What I have said is that if you start plunking into the internals of High Frontier's business, I will clam up and not tell you anything, fair enough?

Q That's fair enough. All right. I am concerned, though -- Mrs. Studley has gone to a number of people for advice. Some of the advice that she has gotten has caused us concern, although I think she has been forthcoming with us. You have not had occasion to instruct her or suggest to her that she either destroy documents or suppress facts that



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are within the ambit of the deposition notice?

- A No.
- Q Similarly, going the other way, no request has been made of you by either Studley or Glatt that you not reveal facts or documents to us?
 - A No, no.
- Q Let me move along and try to pick up some other documents. Let me show you a document that was found in the safe of Colonel North, and which we now know was prepared by Mrs. Studley, and it's been identified by Mrs. Studley and indeed was recently used in the public hearings with General Singlaub. It's been previously marked as Schweitzer Exhibit 11. If you would be kind enough to review it, and review it with some care, because even if you haven't seen the document, I want to talk to you about the concepts that are outlined in it.
 - A Okay.
- Q With regard to Schweitzer 11, have you ever seen this document before?
 - A Never seen it.
- Q With regard to the concept as outlined here, this is basically a three-way program to generate Soviet bloc arms

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for	use	in v	ario	ous in	surge	ncie	s, wi	thout	Cong	ressio	na	1
knov	vledg	e or	cor	sent,	have	you	ever	discu	ssed	such	a	concept
wit	n Mrs	. St	udle	y?								
	A	N	0, 1	have	not.							

- Q Okay.
- A No, I have not.
- Q Do you have any knowledge of this document being presented to Director Casey at the meeting that you arranged between Mrs. Studley and the director?
 - A No, I have not.
- Q Do you have any knowledge of discussion of a program like this or this document being discussed with Al Haig?
 - A No.
- Q Have you ever had a discussion with General Singlaub about various programs that might be arranged to permit the supply of Soviet bloc weapons to insurgencies around the world without the consent or awareness of other departments, State or Congress?
- A No.
 - Q Moving into 1986, you mentioned the meeting that you had in late 1985. Did you have other occasions in 1986

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to discuss with Director Casey the possibility of either

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21 22 Mrs. Studley or her firm, Geomilitech, becoming a supplier of arms and other munitions to the Central Intelligence Agency?

A No.

Q Let me show you another document that was found in

the safe of Colonel North. There are several attached copies, because some of the ones on top are not easy to read. The first is a cover memo from Mrs. Studley, which I believe went to Colonel North, makes reference to delivery of these materials to Director Casey and is that the way to promiting his name, do you know?

name, do you know:

Q Yes.

A Yes, I know

MR. KERR: I will ask that they be marked collectively as Graham Exhibit 2.

(Graham Exhibit 2 identified.)

BY MR. KERR:

Q Again, General, if you would review the documents with care, both to see if it refreshes your recollection and also if you recall the incident?

A No, I have never seen that.

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Okay. Do you have any knowledge of what is at

45

2	work here, let me describe it in a nutshell. General
3	Singlaub was suggesting to Director Casey that the CIA
4	purchase various armaments for the Contras at a time when
5	there was no Congressional appropriation saying or suggesting
6	and I believe it's Mr. Glatt "could arrange for
7	financing for such a purchase to be repaid after the \$100
8	million appropriation came into effect." Do you have any
9	knowledge of those matters?
10	A None at all.
11	. Q The answer is no?
12	A No, I don't.
13	Q Never had occasion to discuss this matter with
14	Director Casey?
15	A No.
16	Q At the same time this letter went out, which is
17	August of 1986, Mrs. Studley became involved in gathering
18	information for Colonel North on a vessel loaded with arms
19	that had been seized in the Panama Canal known as the Pia
20	Vesta. Do you have any knowledge of how she became involved
21	in that matter and what she was doing?
22	A No. I don't.

No, I don't.

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1	Q Let me run through a series of names and see if
2	you know anything about them. Do you know a David Duncan
3	who's in the arms business?
4	A No.
5	Q How will did you know Dan Cummings, who's in the
6	arms business?
7	A I have heard of him but I don't him.
8	Q Do you recall the contexts in which you have heard
9	of Mr. Cummings?
10	A Oh, yes, I know him to be an old-time CIA type
11	whom I wouldn't deal with in any of these affairs, because he
12	is a blatherskite.
13	Do you have what a blatherskite is, young lady?
14	Q It's one of those words that you can sort of fill
15	in the blanks on. You don't feel him reliable, I trust?
16	A Well, he goes on television and talks about these
17	matters, which is rather stupid for a man in his business.
18	Q Do you know of the current relationship between
19	Cummings and Colonel Schweitzer?
20	A No.
21	Q Do you know a Patrice Gentry de la Sagne of

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A No.

to us by Mrs. Studley. I would like you to glance through them. They relate to work that she was doing with regard to the Pia Vesta, and an arms shipment that was contained on the Pia Vesta which was of interest to Colonel North. Again, I would just like you to look through it to see if it gives you any recollection of knowledge that you would have about this	Q General, I am going to impose on you again. Let
them. They relate to work that she was doing with regard to the Pia Vesta, and an arms shipment that was contained on the Pia Vesta which was of interest to Colonel North. Again, I would just like you to look through it to see if it gives you any recollection of knowledge that you would have about this	me show you a collection of documents that have been provided
the Pia Vesta, and an arms shipment that was contained on the Pia Vesta which was of interest to Colonel North. Again, I would just like you to look through it to see if it gives you any recollection of knowledge that you would have about this	to us by Mrs. Studley. I would like you to glance through
Pia Vesta which was of interest to Colonel North. Again, I would just like you to look through it to see if it gives you any recollection of knowledge that you would have about this	them. They relate to work that she was doing with regard to
would just like you to look through it to see if it gives you any recollection of knowledge that you would have about this	the Pia Vesta, and an arms shipment that was contained on the
any recollection of knowledge that you would have about this	Pia Vesta which was of interest to Colonel North. Again, I
	would just like you to look through it to see if it gives you
matter in the period July, August, September 1986.	any recollection of knowledge that you would have about this
	matter in the period July, August, September 1986.
Collectively, that will be Exhibit 3.	Collectively, that will be Exhibit 3.

(Graham Exhibit 3 identified.)

BY MR. KERR:

- Q I think that last document is out of place.
- A Okay. I know of nothing of those matters.
- Q I will remove the last piece of Exhibit , which was none of the exhibit before here. One point in terms I believe we touched on before, with

know

A and I have appeared on the platform to speak, he is a strong supporter of SDI.

Q Do you know of his relationship with Mrs Studley



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or GMT?

No, that's the first I knew she knew him.

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Do you have any knowledge of the role Mr.

played in trying to get a contract for Mrs. Studley or GMT

5 6

for the CIA?

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Turning again to Lieutenant General Schweitzer,

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just so I understand, he was hired in late August, early

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September, 1986. He was interviewed by General Singlaub for

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GMT. If I understand your testimony, you had no involvement

in that hiring decision; is that correct?

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No.

No.

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General Schweitzer and General Singlaub met with Colonel North with regard to GMT matters on or about December

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2, 1986. Do you have any knowledge of that meeting?

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Q Thank you, General. With regard to General
Schweitzer's role at GMT, were you aware of the fact that he
was in the employ of GMT?

A Yes, at some junction or other, Mrs. Studley told me that Schweitzer was working, I can't remember whether she said for or just with her. But, at any rate, I knew that Schweitzer was somehow connected.

- Q Did you ever have occasion to discuss with Schweitzer what he was doing at or for GMT?
- A I haven't spoken to Schweitzer in at least four years.
- Q So Schweitzer is not a social acquaintance or personal friend?
 - A No.
- Q General Schweitzer left the employ of GMT in early 1987. Do you have any knowledge of the circumstances under



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A No, I don't. Although Mrs. Studley did tell me that he had departed.

Q Did she give you any explanation of why or what the circumstances were?

A She might have, but I don't recall. What I do recall is she was -- she had come to not have much confidence in his advice.

Q Do you recollect any explanation she gave you as to why that was so?

A No.

which he left?



- Q Do you know Dr. Ray Cline?
- A Yes, I know Ray very well.
- Q How do you know Cline?

A Oh, Cline, I have known him since 1963, when he was at the CIA. I have been associated with Ray both



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1	officially and unofficially in various things through the
2	years.
3	Q Have you had an occasion to discuss with Dr. Cline
4	anything relating to GMT within the last year or so?
5	A No.
6	Q Specifically, have you had any discussions with
7	him about either your deposition today or the previous
8	interviews of General Singlaub and Mrs. Studley?
9	A I have never discussed anything within the ambit
10	of this investigation with Ray Cline.
11	Q Do you have any knowledge of the role Dr. Cline
12	has played in 1987 in trying to obtain contracts for GMT from
13	the CIA?
14	A No.
15	Q And it would be your testimony, then, that
16	Dr. Cline has not discussed with you his efforts to obtain
17	contracts for
18	A No, Ray Cline and I have never discussed anything

of that nature.

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Within this year, 1987, have you had any

discussions with Mrs. Studley when she asked you to assist

her in obtaining contracts for the CIA?

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_								_
A	She	has	never	asked	me	to	assist	her

Q Let me show you one other memorandum that was provided to assist the staff counsel for the House committee by one of the attorneys for Mrs. Studley. It's a memorandum relating to Colonel North, which will be Exhibit 4. I would like you to look at the memorandum again, tell me if you have ever seen it before or if you are familiar with its contents.

(Graham Exhibit 4 identified.)

THE WITNESS: That's interesting. I wonder who wrote that.

BY MR. KERR:

- Q Have you seen the document before?
- A I have never seen it.
- Q With regard to the content of the document, you are not familiar with that?

A No, no. All that is news to me, or most of it

is. I think I did know from some source that I can't recall,

perhaps Jack Singlaub, that North was opposed to the effort

in the south. Pastora --

Q I was going to ask you about that. Have you ever had occasion to discuss with General Singlaub, either before



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or after his March 1986 trip to visit with Eden Pastora, what

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2	occurred on that trip?
3	A Not that I can remember. I don't think so.
4	Q Specifically, General Singlaub did have occasion
5	to discuss with you his perceptions of what the CIA did to
6	undo the agreement that he reached with Eden Pastora?
7	A No, I don't recall any conversation along that
8	line.
9	Q Did you ever have occasion to discuss with
10	Director Casey Singlaub's efforts vis-a-vis Eden Pastora?
11	A No, never did.
12	Q I think we are about done, General. Give me a
13	minute off the record.
14	A Good. I want to save the Western world.
15	(Discussion off the record.)
16	BY MR. KERR:
17	Q General, when was the last time you talked to
18	General Singlaub?
19	A Oh, boy, it was, oh, February of this year.
20	Q Was your conversation with him in the context of

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the interviewing and testimonial process that General

Singlaub was going through at that time?

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2	activities in the Philippines.
3	Q The last time you discussed anything with
4	Mrs. Studley was when?
5	A May 1.
5	Q This would have been in Frankfurt?
7	A In Frankfurt, yes.
3	Q General, you have been most kind. I appreciate
,	your coming by, and I do appreciate your assistance in thi
ו	matter.
ı	A Ober 5400

DANIEL O. GRAHAM

(Whereupon, at 11:45 a.m., the deposition was

It had more to do with his problems with his

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I, <u>WENDY S. COX</u>, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Notary Public in and for the District of Columbia

My Commission Expires NOVEMBER 14, 1987



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Ex 1 Graham 5/26/17

Suder providing of E.O. 12265

MEMORANDUM

BS

0005

TO : LT. COL. OLIVER NORTH

FROM : B. F. STUDLEY

DATE: OCTOBER 30, 1985

4:00 AM, October 29, 1985 - Washington, D.C.

Received a phone call from my source (ref. "W") inside

"W" was insistent that I convey the following information to you IMMEDIATELY as he was concerned that information might end up in the hands of the media. In turn, they would confront you.

October 29, 1985, AM

- "W" was called to a meeting at

Authorities questioned "W" about the shipment that went from on June 20, 1985. "W" denied that his ship was intended for the Contras. They then informed "W" of the following incrediable events.

A man named MARIO DELLAMICO (Cuban American, works for an arms dealer named RON-MARTIN) walked into

Dellamico was asking their help in getting to sell Ron Martin's Company, arms for Contras.

answer was ABSOLUTELY NOT - it would be against their law. At that time Bellamico gave the the state of the s

- Shipment left and was received by
- 2. Itemized List of Inventory.
- 3. Ship's Name and Date of Departure.
- 4. Our Representative's Signature.

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Suite 300, 1919 Pennsylvania Avenue, N.W. / Weshington, D.C., U.S.A. 20006 • (202) 887-0516 / Telex: 904278 GMT. Wash. D.C.

MEMORANDUM PAGE TWO

BS

0006

As questioned "W" that same morning "W's" man (who handled shipment at port) was called in by authorities

In both cases - VERY ANGRY.

"W" had an important shipment in port and was concerned they would stop shipment. ("W" said to tell you it is the first of five you are expecting.) "W" later called to say SHIP HAD SAILED.

"W" was furious that his contact (long and costly to form) could be blown.
"W" is concerned about his sensitive shipment sitting in
also concerned that this could become international headlines.

The copies of our packing list has now gone from Washington because of Ron Martin's man, Dellamico.

"W" urges you to stop Ron Martin/Dellamico.

Dellamico was given packing list by the state of that accepted our shipment.

I am informed that Ron Martin and force Contras to buy from them. Dellamico demanded sell to Ron Martin the same goods that they sold to us. They refused - they are afraid of Ron Martin.

is sending a special man to talk to "W" on Friday, November 1, 1985 regarding this entire affair.

"W" maintains he has crisis there under control - however, is very concerned about Ron Martin.

Meanwhile - Martin's company still has copies of our documents -

ENCLOSED:

- 1. Copies of documents delivered to the by Dellamico.
- Report from my representative that was in to meet ship. The "Mario" referred to is Dellamico.
- 3. General John K. Singlaub has been advised of this information.

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OBSERVATIONS AND EXPLANATIONS

To Whom It May Concern:

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0007

Upon arrival in I proceeded directly to the hotel, checked in and phoned aurprised at my presence office at 1100 hours, July 8, 1985. He then briefed me on the vessel's status.

On arrival in the port of discharge, the vessel anchored inside the harbor. At 1120, July 9, 1985

one local customs agent, one local customs agent, one local health official and I went aboard via pilot boat. With above personnel and asked "Where id in the master's office, customs seemed confused and asked "Where id and customs seemed satisfied.

At 1135 customs, health and Agent went ashore and master showed me and Port Captain some cargo that he found loose in the hold after sailing from the loading port.

The cargo that was found and the Master's comments are in the Master's Report.

When the vessel docked it began to rain and I was approached by a man who introduced himself as Mario Hernandez. He was dressed as a civilian, but carried a side arm. He spoke fluent Spanish as well as English although English seemed his second language and he spoke it with a heavy Spanish accent. He represented the receivers of the cargo and was anxious to begin discharging.

Mario claimed that rain would not hurt the cargo and was prepared to sign papers holding the ship owner harmless for damage to the cargo incurred in discharge during the rain. This became a most point as the rain stopped and discharge began at 1556 hours. July 9, 1985. It should be noted that Mario was known to as "Mario Tambour and signed his name "Mario Rodriguez" to the Master's Report and the Order to Discharge. He seemed to move easily about the heavily guarded and restricted dock area giving orders to both "civilian" and military personnel.

He remained on the dock or aboard the ship at all times during the discharge as far as $1\ \mbox{know.}$

At 1210 hours, July 10, 1985, the master, in the presence of the port Captain and myself, gave Mario the cargo he found loose. Mario talked freely about where the cargo was made and about varios specifications of it. A young men in uniform carried the loose cargo off the ship concealed in cloth and put it in Mario's car which was alongside the ship.

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After completion of the discharge Mario and I inspected the holds and the hatchcovers were replaced. 'Later, while checking out of the hotel at the discharge port, I saw Mario and learned that he had a room there. He asked if he could ride back to with me and I said yes. While waiting in front of the hotel for Mario to pack and check out, I observed his two bodyquards arrive in Mario's jeep and enter the hotel openly carrying what appeared to be the cargo found loose by the master and given to Mario. I followed them into the hotel to Mario's room where they put down the caroo <u>carried Mar</u>io's gear to my waiting taxi and Mario and I then departed for Mario carried an automatic pistol in his belt.

During the sixty minute ride and a subsequent dinner we had together that night, I learned the following about Mario:

- he was born in North Carolina

- he has lived in Central America for 17 years
- his current home is
- he has a wife and two children in the U.S. he has a wife in

- he has a girlfriend in he prefers Central America and would not return to the states
- he is not a U.S. citizen (although I thought I saw a U.S. passport through his shirt pocket)
- he is extremely well versed in current events and has a vast and detailed knowledge of world politics both the policies and the players
- he could talk at length about the small arms and weapons systems of many different countries

At dinner Mario also informed me that three latin men were found by "his people" in a fourth floor room of a hotel near the docks. They had, in his words, "alot of sophisticated camera equipment" and were taking pictures of the port area. Mario said they destroyed the film and had the men in custody. He would not say who had them though. Because of many inconsistencies in his story regarding this matter, I had trouble believing

- Other observations regarding Mario
 approximately 5'8"-5'9" tall
 approximately 129 300 (soundby)
 - usually wore very thick (1/2") glasses
 - brown hair, advanced receeding hairline

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As a final note on Mario, I add my impression of him. I can only report what he told me and do not submit any of it as fact. While he seemed to have an important status and role in the receipt of this cargo and handled the mechanics of that job well, his character seemed confused. He seemed to boast at times about his position, but never said what it was. He liked to talk and often said more than I thought would be prudent. I found him talking to himself at times. He liked to tell stories about himself, his travels and his life but they often contradicted each other and I found it difficult to believe any of them.

Without having a thorough understanding of the logistics of this shipment, I make the following observations that may or may not be valid.

- containerized cargo is more secure, attracts less attention, is easier and quicker to handle and could be handled in most weather conditions.
- there is rail siding on the dock and offers another discharging alternative
- 3) the cargo was taken by truck to then to its final destination; why not discharge at and avoid many of the security problems found at the commercial docks

Michael W. Fields
MyCHAEL W. FIELDS
1-6-85

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N 16513

Jack has asked that I send you a copy of the "List" and the letter being delivered to Bill Casey by at noon today (Aug. 5).

Please follow up with him, or in the event that you cannot do so, please see that the right person in the NSC unferstands what we are proposing.

Swiss banker standing by, loan can be arranged with absolutely no names, etc. Funds available immediately. Shipment can leave dock within two weeks and arrive at destination in five to six weeks from now (Sept 5th).

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No Date

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PERSONAL AND CONFIDENTIAL

Mr. William Casey Director, Central Intelligence Agency Langley, Virginia

Mithoghkell

Dear Bill.

The enclosed list of hardware is available for immediate delivery at the prices indicated. The list was developed in conjunction with a member of the NSC who is knowledgeable of the urgent nates of the United Nidaraguan Opposition with which the US has a continuing interest. The items can be at dockside, ready for shipment within two weeks from the date of a Letter of Credit or the deposit of actual funds.

Due to the fact the funds from Congress will not be available until after September, our bank in Switzer and, will accept a Letter of Credit from your bank and issue a idan for six to twalke months, or as needed. Our bank will fund immediately for the ourchase of the listed items, thus providing the equipment that is so desperately needed now while allowing for payment at a later date.

Our banker is prepared to fly to Washington and take care of the Letter of Credit directly with your designated bank. This eliminates all bank tested telexes or paper trails. The loan can be in the name of a corporation of your choice, it is not necessary for our bank to know your identity, only your banker.

Our bank has been exceptionally discreet in processing our transactions in the past. At the close of the transactions, the bank file will only show corporations, numbered items and amounts. No reference will be made of the specific items involved in the transaction, nor of the individuals or actual organizations involved.

Please let me know as soon as possible your desires for our future actions on this matter.

Yours truly,

Partially Declassified/Released on rock 88 under provisions of E.O. 12356 by K. Johnson, National Security Council

Tohin K. Singlaub Major General IU.S. Army (RET, Consultant

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Quited * 28 Jb., 1996

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	14 Smm Ammo	1 Million Rounds	3 570 der M
4	82K B f e	300	1 980each
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Mr. William Casey Director, Central Intelligence Agency Langley, Virginia

Dear Bill.

The enclosed list of hardware is available for immediate delivery at the prices indicated. The list was developed in conjunction with a member of the NSC who is knowledgeable of the urgent needs of the United Nicaraguan Opposition with which the US has a continuing interest. The items can be at dockside, ready for shipment within two weeks from the date of a Letter of Credit or the deposit of actual funds.

Due to the fact the funds from Congress will not be available until after September, our bank in Switzerland, will accept a Letter of Credit from your bank and issue a loan for six to twelve months, or as needed. Our bank will fund immediately for the purchase of the listed items, thus providing the equipment that is so desperately needed now while allowing for payment at a later date.

Our banker is prepared to fly to Washington and take care of the Letter of Credit directly with your designated bank. This eliminates all bank tested telexes or paper trails. The loan can be in the name of a corporation of your choice. It is not necessary for our bank to know your identity, only your banker.

Our bank has been exceptionally discreet in processing our transactions in the past. At the close of the transactions, the bank file will only show corporations, numbered items and amounts. No reference will be made of the specific items involved in the transaction, nor of the individuals or actual organizations involved.

Please let me know as soon as possible your desires for our future actions on this matter.

Partially Declassified/Released on 10 FC889

under provisions of E.O. 12356

Yours truly by K. Johnson, National Security Council

John K. Singlaub Major General, U.S. Army (RET)

Consultant

1 Incl: a/s

NCLASSIFIED

516 / Telex: 904278 GMT Wash. D.C.

te 300, 1919 Pennsylvania Avenue, N.W. / Washington, U.C. U.S. / 2000 4 202 100



PERSONAL AND CONFIDENTIAL

Mr. William Casey Director, Central Intelligence Agency Langley, Virginia

Dear Bill.

The enclosed list of hardware is available for immediate delivery at the prices indicated. The list was developed in conjunction with a member of the NSC who is knowledgeable of the urgent needs of the United Nicaraguan Opposition with which the US has a continuing interest. The items can be at dockside, ready for shipment within two weeks from the date of a Letter of Credit or the deposit of actual funds.

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Yours truly,

John K. Singlaub Major General, U.S. Army (RET) Consultant

1 Incl: a/s

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Quoted : 28 July 1986

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271

£	ITEM	σιχ	UNIT PRICE
1	SA-7	50 sets(1+3)	159,600 per set
2.	12.7mm MachineGun	60	9.350each
	12.7mm Ammo	3 Million Rounds	2,940 per M
3.	14.5mm MachineGun	20 Twin Version	34,000each
	14.5mm Ammo	1 Million Rounds	3,570 per M
4.	RPK Rifle	300	1,980each
	7.62X39mm Ammo	15 Million Rounds	129 per M
5.	60mm Mortar "Commando"	200	6,500 each
	60mm Shelis	600,000	84 each
6.	82mm Mortar	50	7,150 each
	82mm Shelis	150,000	105 each
7 .	RPG-7 Launcher	200	1,615each
	PG-7vm Rockets	10.000	194 each
8.	C4 Plastic HE*		
9.	AKMS Rifles	10,000	155 each

PRICE FOB Delivery

transdate availability. Featury to dockside.

Caramercial shipper will deliver to port you designate at normal competitive rates.

* Available: Source will not quote without bons fide offer.

Item under control of separate part of government.

Source guarantees price will be as competitive as the other items on this list.

6-00036

NO EUC REQUIRED.
SOURCE SUPPLIES ALL REQUIRED SOURCE SUPPLIES ALL REQUIRED

6 2 3 craham 5136187

E X 273

.. Conversations with Dan Cummings

- 1. Confirmed information given by "Patrice" to be correct.
- Stated that David Duncan had been to the White House and had been assured that Gerieral Norlega would release the shipment.

Several phone calls with David Duncan confirmed:

- 1. Duncan had been to the White House.
- 2. Duncan had met with Yince (NSC)
- 3. General Noriega has agreed to release the shipment.

Partially Daclassified/Peleased on 11 FEB 88 under provisions of E.O. 12356 by K. Johnson, National Security Council



6000316

FINLEY, KUMBLE, WAGNER, HEINE, UNDERBERG, MANLEY, MYERSON & CASEY

1140 CONNECTICUT AVENUE, N.W. WASHINGTON, D.C. 20036

CABLE VERITAS

TELEX. 44034

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28 APR 87

435 PARE AVENUE NEW YORK NEW YORK 0022 2121 371 5800 BEVERLY HILLS CALIFORNIA BOSIS (213) 550 8106 ON WEST SHOARWAY SAN OISSO CALIFORNIN SZIOL (SIN 231 8708

777 BRICKELL AVENUE MIAMI FLORIDA 33131 13091 371-2600 TO EAST GROWARD SOUL

TOT WILBHIRE BOULEVARD LOS ANGELES CALIFORNIA BOOTT 136: DUPONT SEIVE

MASHINGTON DC 10036

444 WORLD TRADE CENTER 401 EAST PRATT STREET BALTINGRE MARYLAND 21342 LECOMPIÈLD HOUSE CURZON STREET STM FLO LONDON WIY 7FS ZNGLA 1 401 4595

April 28, 1987

CONFIDENTIAL

BY HAND

Kenneth Ballen, Esq.
Assistant Counsel
House Select Committee To Investigate
Covert Arms Transactions with Iran
H419 Capitol Building
Washington, D.C. 20515

Re: Barbara F. Studley/GMT --Memorandum re Oliver North

Dear Ken:

During your telephone conference with Paul L. Perito this afternoon, you requested a copy of the memorandum from Barbara F. Studley's file regarding Oliver North. Please find enclosed a copy of that memorandum which I also am forwarding to Chuck Kerr.

If we can answer any further questions, please do not hesitate to contact us. $% \left\{ 1,2,\ldots,n\right\} =0$

Sincerely,

Trul Rosp

Enclosure

cc: Charles M. Kerr, Esq.

1/25/58

No Date

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0 369

The following activities in which North played a key role demonstrate either poor judgment or the fact that North



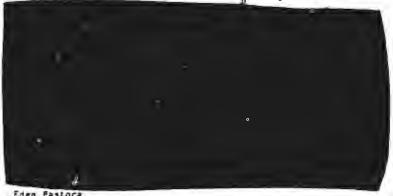
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-S POGES

-BS 0370 - BS 0371 G000369-G000370



0 372



policy to terminate Eden Pastora and the southern front in



North out off Singlaub after Singlaub promised to find

help for Pastora.



At the CPAC 2 years ago, North sent a message to the conference organizers that the White House did not want

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Stenographic Transcript of

RIGHT

HEARINGS

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

TESTIMONY OF DONALD P. GREGG Monday, May 13, 1987

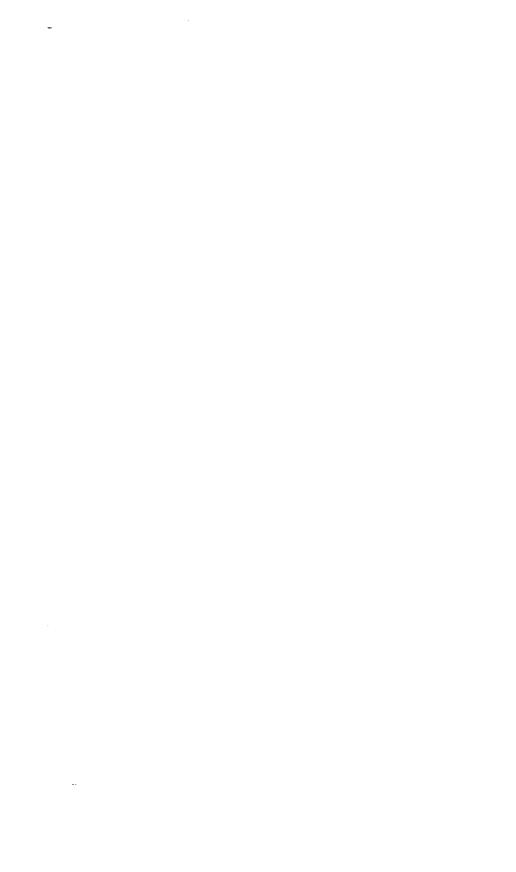
under provisions of E.O. 12:356
by B. Reger, National Socurity Council

Washington, D.C.

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ALDERSON REPORTING

(202) 628-9300 20 F STREET, N.W. WASHINGTON, D. C. 20001



1	TESTIMONY OF DONALD P. GREGG
2	Monday, May 18, 1987
3	United States Senate
1	Select Committee on Secret
5	Military Assistance to Iran
5	and the Nicaraguan Opposition
7	Washington, D. C.
В	Deposition of DONALD P. GREGG, called as a
9	witness by counsel for the Senate Select Committee, at
0	the offices of the Select Committee, Room SH-901, Hart
1	Senate Office Building, Washington, D. C., commencing at
2	2:10 p.m., the witness having been duly sworn by MICHAL
3	ANN SCHAFER, a Notary Public in and for the District of
4	Columbia, and the testimony being taken down by Stenomask
5	by MICHAL ANN SCHAFER and transcribed under her
6	direction



Unclassified

T	APPEARANCES:
2	On behalf of the Senate Select Committee on Secret
3	Military Assistance to Iran and the Nicaraguan
4	Opposition:
5	MARK BELNICK, ESQ.
6	TERRY SMULJANICH, ESQ.
7	VICTORIA NOURSE, ESQ.
8	On behalf of the House Select Committee:
9	RICHARD LEON, ESQ.
10	CLARK HALL, ESQ.
11	Also Present:
12	ALAN CHARLES RAUL, ESQ.
13	Associate Counsel to the President
14	JOHN P. SCHMITZ, ESQ.
15	Deputy Counsel to the Vice President
16	The White House

2

WITNESS

Donald P. Gregg

UNCLASSIFIED EXAMINATION ON BEHALF OF SENATE HOUSE By Mr. Belnick

6	By Mr. Leon		71
7	By Mr. Belnick	79	
8	By Mr. Leon		81
9	By Mr. Belnick	82	
10		EXHIBITS	
11	GREGG EXHIBIT NUMBER	FOR IDENTIFICA	ATION
12	1	5	
13	1 A	60	**
14	2	12	
15	3	45	
16	4	53	
17	5	64	
18	. 6	67	
19	7	70	
		_	

1	PROCEEDINGS
2	Whereupon,
3	DONALD P. GREGG,
4	called as a witness by counsel on behalf of the Senate
5	Select Committee and having been duly sworn by the Notary
6	Public, was examined and testified as follows:
7	EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE
8	BY MR. BELNICK:
9	Q Mr. Gregg, you are the Vice President's
10	National Security Advisor?
11	A That's correct.
12	Q And you have served in that capacity since
13	August of 1982?
14	A Correct. That's right.
15	Q You are still in that capacity today?
16	A Yes.
17	Q When do you recall first discussing with Felix
18	Rodriguez his interest in going down to El Salvador?
19	A Probably in late 1984. I don't wish to
20	dispute anything on the chronology. I don't have that in
21	front of me.
22	Q Let me stop there because I was going to do
23	that. Let's mark as Gregg Exhibit 1 a copy of what I
24	think Mr. Gregg is referring to as the chronology.
25	A of 15 Degrator) Security

_	Q 1 11 describe for the record what I we asked
2	be marked and you can tell me if that's it. It's covered
3	by a press release, Office of the Vice President,
4	December 15, 1986. It's a one-page statement and then a
5	chronology entitled Summary of Contacts with Felix
6	Rodriguez. Is that it?
7	A That's it.
8	(The document referred to was
9	marked Gregg Exhibit Number 1
10	for identification.)
11	Q The document we are marking bears a Bates
12	stamp $N-18753$ through 56, and that will be Gregg 1.
13	You can feel free to refer to that chronology `
14	during the deposition.
15	A So, as indicated in the chronology, it was
16	December 21 that he came and expressed an interest in
17	going down and helping El Salvador deal with the
18	insurgency problem, which he felt was very similar to
19	that which we had encountered in Vietnam.
20	Q Did he talk with you about the contras at all?
21	A No.
22	Q Did he say he had any interest in helping out
23	with that operation?
24	A No.
25	Q You introduced him to various people in UNGLASSIFIED

1	pursuit of his interest in helping out in El Salvador?
2	A That's right.
3	Q And one of those was General Gorman?
4	A No. I didn't know General Gorman well. I
5	think it was through the introductions that I made to
6	him, which were Tony Motley, Nester Sanchez, and others,
7	that he got to Gorman. But Felix subsequently told me
8	that he met with Gorman. Gorman was very impressed with
9	him, and I arranged to have him flown down to El Salvador
10	to talk directly with people there.
11	Q Is that the substance of what you recall Felix
12	telling you about his meeting with General Gorman?
13	A Yes. He said that he was and I have talked
14	with General Gorman myself maybe two or three months ago.
15	He is now on a different I've forgotten what it is he
16	is doing. But we talked about Felix and his recollection
17	of that meeting jibed completely with what Felix had told
18	me.
19	Q Did General Gorman tell you that Felix had
20	said his primary interest was in helping the FDN?
21	A No.
22	Q Have you ever seen a document in which General
23	Gorman reported that to Colonel Steele?
24	A I have never seen such a document.
25	Q But you half a dictation with General

1	Gorman in which he described the meeting the same as
2	Felix?
3	A That's right. And we discussed Felix'
4	expertise in the field of counterinsurgency and I
5	expressed the point that
6	
7	and Gorman said that he
8	could help me if Felix decided that he wanted to go out
9	
10	Q Okay. Going down the chronology, after the
11	December '84 introductions the Vice President had a
12	meeting with Felix Rodriguez on January 22 at which you
13	were present.
14	A That's right.
15	Q And that was simply to inform him that he was
16	going to help with the insurgency?
17	A And also to introduce him. The Vice President
18	has said up to being Vice President the job he enjoyed
19	most had been the year that he was Director of CIA.
20	Felix is one of the really extraordinary human beings I
21	know, and I knew how interested the Vice President was in
22	El Salvador because of his trip there in December 1983
23	where he had spoken against the use of death squads. And
24	I wanted to introduce Felix and I wanted to help in that
25	SITUATION. UNCLASSIFIED

1

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Let me pause on that for a moment.

2 .	Colonel North accompany the Vice President on his
3	December 1983 trip?
4	A I believe he did.
5	Q What countries did they visit together? Do
6	you know?
7	A I would have to check the record. I don't
8	remember. I think and this is tentative I think w
9	were on our way back from perhaps a visit to Argentina
10	for the inauguration of Alfonsin, but I'm not positive of
11	that, and Tom Pickering was our Ambassador to El Salvado
L2	at that time, and he and Ollie North had worked together
L3	in constructing this visit by the Vice President.
L 4	Q And in addition to El Salvador did the Vice
L5	President, to you recall, visit any other Central
L6	American countries on that trip when North was with him?
L7	A I'm sorry to be vague. The Vice President ha
18	twice visited Honduras and I don't recall whether there
L9	was a Honduras visit in connection with the El Salvador
0	trip or not.
21	Q Do you know if the Vice President and Colonel
22	North saw any resistance leaders during that trip in
23	December 1983?
24	A Resistance leaders?
25	Q Nicaraguan resistance leaders.



1	A No.
2	Q You don't know?
3	A is I would say no, they did not, to the best of
4	my knowledge.
5	Q Fair enough. Aside from the amendment to the
6	chronology which the Vice President's office has
7	published last week, which we will get to and mark in a
8	moment, the chronology, as amended, remains consistent
9	with your recollection?
10	A Absolutely.
11	Q And you affirm it again today?
12	A Yes.
13	Q From the time Felix went down to El Salvador
14	until the summer of 1986 and let's start the summer as
15	of June, so from the beginning of 1985 through June of
16	1986, did Felix tell you in any way about his role in
17	assisting resupply or supply of the contras?
18	A No.
19	Q At any time during that same period, January
20	'85 through June 1986, did he tell you about his
21	involvement with Colonel North?
22	A I don't recall Felix telling me about any
23	structured involvement. I was aware that Ollie was
24	traveling down there from time to time. I was aware from
25	some things that Ollie said to me that he would run into

1	Felix and from time to time Ollie would express
2	irritation to me about some things Felix was doing. I
3 ·	now understand what Ollie was talking about.
4	I did not understand at that point. So I knew
5	that they met, but I did not know that there was any
6	continuing structure to that relationship.
7	Q What did you understand North's role to be
8	vis-a-vis the contras and the Nicaraguan situation in
9	that same period we've been discussing, roughly the
10	beginning of January '85 through June 1986?
11	A I was aware that he was involved in what I
12	took to be coordinating, aiding and abetting the informal
13	private network of people who would contribute
14	humanitarian assistance to the contras. There were
15	groups that would come into the White House that one
16	heard about and one knew that Ollie was involved in that.
17	That's what I considered he was doing.
18	Q And what, Don, did you understand to be the
19	nature of his involvement with these private fundraising
20	groups?
21	A I didn't really have a clear sense as to what
22	that was. I knew that he was very interested in Central
23	America. I knew from his role in setting up the Vice
24	President's trip in 1983, I knew he was interested in
25	trying to keep the contras afloat during what was seen as

1	a sort of hand-to-mouth period. But beyond that I did
2	not have a clear sense of what he was doing on a day-to-
3	day basis.
4	Q Now through June of '86 did you know whether
5	he had any involvement with the contra resupply
6	operation?
7	A "He" being North?
8	Q Colonel North.
9	A No. I was out of the country for a fair part
10	of June '86.
11	Q And you didn't know at any time prior to June
12	186?
13	A No.
14	Q Now in August of 1986, according to the
15	chronology, on August 8 Felix Rodriguez came to you with
16	certain concerns; correct?
17	A That's right.
18	Q And there was a meeting held on August 8?
19	A Right.
20	Q Among you, Felix, and Sam Watson.
21	A Yes, that's right.
22	Q How was that meeting set up?
23	A I had a call from Ollie North two or three
24	days earlier expressing concern about Felix and saying in
25	effect that he thought that Felix had made off with an

UNCLARSIFIED airplane. So that gave me pause. And he said you're the

2	only one who can control Felix. Will you call him and
3	find out what the hell is going on?
4	I called Felix and I don't have a date for the
5	call. But, anyway, I called him and said, Felix, do you
6	know anything about a stolen airplane. And he sort of
7	laughed and said, well, I know what you're referring to.
8	And he said, I'm going to be coming up to Washington
9	shortly. He said, I've got some things I want to talk to
10	you about.
11	So he came up and the meeting of August 8
12	resulted.
13	Q Did he have a private session with you before
14	this meeting once he arrived in Washington?
15	A No, I don't think so. I think he came into m
16	office and the three of us met.
17	Q Okay. You took notes at that meeting?
18	A I did.
19	Q Let me mark those notes so you can have them.
20	And also there's a description of the meeting in Gregg
21	Exhibit 1, the chronology.
22	Let's mark these notes Gregg Exhibit 2.
23	(The document referred to was
24	marked Gregg Exhibit Number 2
25	UNGLASSIFIED

1	For the record, they bear our Bates number
2	stamp N-22450 through 452. They are three pages of
3	handwritten notes on the Office of the Vice President
4	stationery, headed Felix - 8 August 1986. Don, these are
5	your notes?
6	A They are.
7	Q And you made them during the meeting with
8	Rodriguez on August 8, 1986?
9	A Right.
10	MR. RAUL: Mr. Belnick, have you got a copy of
11	those notes for us?
12	BY MR. BELNICK: (Resuming)
1.3	Q You can feel free to refer to those notes, but
14	why don't we start, Don, by you giving us your best
15	recollection of what occurred at the August 8, 1986
16	meeting? This is in your office?
17	A In my office.
18	Q Watson, Rodriguez and you?
19	A Right.
20	Q Okay. Shoot.
21	A Felix came in and said, Don, I really hate to
22	tell you this, but, he said, there are some things going
23	on thatI've forgotten. I think he made a reference to
24	Watergate, saying that this could be Ollie is using
25	some people who are tied in to Ed Wilson. UNGLASSIFIED

Now I ought to explain that as former Agency
people Ed Wilson is to Felix and me an absolute bete
noir. He is one of a very small group of people whom we
consider to have turned absolutely bad and the people who
would have supported him would be people that Felix and I
would disapprove of thoroughly.
So the first thing in my notes is "using Ed
Wilson group for supplies". Now the unwritten word is
Ollie North there. Then Felix went on to say, Ollie
asked me to help get a contra plane repaired. That was
the only sort of thing that he said that indicated that
he had a specific sort of organizational tie to what was
going on.
Q "He" who?
A "He", Felix. He then said that Rafael
Quintero, who was known as Mr. Green
Q Let me stop you there. Who did he say had
given Mr. Quintero the name Mr. Green?
A He didn't say.
Q He just told you that that is how Quintero is
referred to?

By whom?

UNCLASSIFIED

knew by that time was using the name Max Gomez, and I UNCLASSIFIED

Well, I took it -- I mean, Felix himself I

	ALIACUOUI IL II
1	assumed that perhaps some of the people.
2	used aliases. Quintero is famous or
3	infamous. The Cubans have very hostile feelings toward
4	him. I assumed that this was an alias that he used for
5	his own protection.
6	Q How had you learned that Felix was using Max
7	Gomez as an alias?
8	A I think he had told me and I had I think he

Q

Okay.

A So he then explained his relationship with Quintero and he said that he, Quintero, was also close to Tom Clines, a man that Felix had known in the Agency, used to a friend with him, but they split over Libya. And that was the Ed Wilson case, where Clines was very supportive of what Ed Wilson was doing in Libya and Felix was thoroughly disapproving of that and they broke off their friendship at that point. I can't put a date on that.

told me. Sam Watson may have told me; I don't remember.

Felix then said a swap of weapons for money was arranged to get aid for the contras and Tom Clines and General Secord were tied in. That was the first time I had heard of Secord's name.

And as an example of the kind of thing he was concerned about, he said that old hand grenades were

Unceassified

being bought for \$3 and sold for \$9, and he cited that as an example of the kind of ripoff he felt was taking place.

Q Don, let me ask you did he explain what he meant by his statement, as you have recorded it, that a swap of weapons for money or dollars had been arranged to get aid for the contras?

A I took that to mean that the proceeds which were coming from the public donations, et cetera, that I knew was going on had been effectuated and that the money was being used to purchase in this case hand grenades.

Q Okay.

q

 A Felix then said that he was very fed up with the way this group was operating, that he had planned to quit in May. We were aware that he had had a lot of trouble getting parts for the helicopters he was using in El Salvador. He'd had a pilot killed because he hadn't had armor plating in the seats. A number of the helicopters were grounded. He had been working through Sam Watson and me to try to expedite getting parts.

So when he said he planned to quit in May I took that more as discouragement over our inability to support him in his El Salvador operations than in his other relationship, which I didn't know about at that point.

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-	he then began to tark about bick Gadd, who had
2	been brought in as a purchasing agent. He said that he'd
3	been responsible for buying the first Caribous, which he
4	bought at a big profit.
5	Q I'm looking at your notes. "Dick Gadd"
6	A "Purchases things".
7	Q "purchases things. Got first Caribou, big
8	profit" paid a good price for it?
9	A No. I think Felix well, Felix I took
LO	that to mean that what Gadd had paid for the aircraft and
L1	what he charged on the books had been different, whatever
L2	books there were. Then Tom Clines, he said, is getting
13	money from or whoever. Felix, he wasn't sure
L4	where the money was coming from. That was the only
15	foreign source that he mentioned.
16	And then he says "buying things at great
17	profit", again that Clines was purchasing things for a
18	certain price. An example of that were the hand
19	grenades. Then my notes say he hired pilots for Qadhafi
20	with Wilson, which is one of the things Felix had
21	caused him to break with Clines.
22	Then he said Bob Dutton had been brought in as
23	a manager for the project. And what did he mean by
24	"project"? I assumed again it was whatever organization
25	had been set up to administer the aid from the volunteer UNERASSIFIED

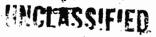
UNCEASSIFIED

contri	butions.	And he	said	he'd be	en brought	in	after	a
flap.	I did no	t ask w	hat th	e flap	was.			

And he and Felix got into a conflict, I think again over the quality of equipment or the prices being charged. And then Dutton tried to set up a paper organization to sell to CIA, and this was one of the major concerns that Felix had at this meeting, that these people, all of whom he considered to be very corrupt, might be hired by CIA, which as of August 8 was getting geared up to administer the \$100 million which Congress had at that point authorized to start on October 1.

Then he said CIA had said no to this plan, had indicated that they weren't at least at that point going to buy it. And then Felix voiced a second concern, which was that the people involved in this organization said, well, we'll keep what we have and sort of take the money and run.

- Q The people involved being the names he gave you --Secord, Gadd, Dutton, the others?
- A That's right. Then, as an example, he said that Gadd had made a \$20,000 profit on a piece of communications gear.
- Q Which he called another ripoff, according to your notes.
 - A Yes, that's right. He also said there was a



ripoff on two workers. He was making a profit of \$650.

I don't know whether that was profit or what he was I didn't record. 3 charging. "He" being Gadd? Q 5 "He" being Gadd. Then, getting back to the supposed stolen airplane, Felix said the C-123 had been 7 sent as a donation to the contra tause 8 Q 9 10 11 12 That plane was sitting in Missi tosded with sedicing that Felix got from 13 the mayor of West Miami, and that means IVs, intravenous, 14 and some spare parts. 15 asked the Mayor of West Miami to come 16 17 in to a contra base and Southern Air Transport, who were 18 contracted by Felix, said that the plane was okay to go. 19 Felix called Jim Steele to get concurrence Steele apparently said okay, but Rafael Quintero 20 had said no, you shouldn't fly it back, and apparently 21 that had been the cause of the flap. 22 Quintero, according to Felix, said that the 23 24 going to be operations were finis

1	dissolved,
2	felt that the plane was a donation, had been told so by
3	Ollie, according to Felix, and the C-123 and two others
4	were held Colonel
5	Steele would not release the planes to have them flown
6	away because he feels, as Felix does, that these were
7	planes that had been donated.
8	told Felix that he felt U.S.
9	credibility was at stake. He felt that the resupply
10	organization had been essentially a money-making process.
11	He feels the three planes belong to the contras
12	
13	if the planes were pulled back
14	would be angered and would close the base down and not
15	let any of those activities continue.
16	And then I wrote, in a different pencil, I
17	guess afterwards, Felix can get
18	planes if he's convinced that the operation will
19	continue. So I think that meeting took place at 9:30 in
20	the morning. Felix had to get back down to El Salvador,
21	but he asked me to pass along these concerns to the
22	appropriate people, which I agreed to do.
23	Is that enough?
24	Q Well, if that's all, then that's enough.
25	Did you say anything to him beyond agreeing to

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pass along his conce	erns?	
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A Well, I certainly reacted very negatively to Tom Clines' name. I said that I had not understood Ollie's call very well, that I now understood what the concern had been and I was, I think, certainly disapppointed and angered and amazed to hear all of this. And I said I will certainly get the appropriate people together and see that something is done.

Felix had two concerns, just to repeat, one that these people might pretty themselves up and be hired by the CIA or, two, that they would pull themselves back from the operation, thereby leaving a hiatus between early August and the first of October where nothing would go to the contras.

- Q Is it the latter concern which is reflected in the typed chronology for August 8, 1986, Gregg Exhibit 1, that the informal contra supply organization which then existed might not survive?
- A That's right. You see, I was at that point, concerned that I not be a part of spreading information on other American citizens of a derogatory nature that I had heard on a secondhand basis.
- Q You mean at the time the chronology was prepared?
 - A That's right. I knew I was going to testify UNCEASSIFIED.

1	to the FBI. They came in 17 December, something. I have
2	that in my notes in your briefcase, Alan. So I knew I
3	was going to have a chance to give all of this
4	information to the proper authorities at that time, and I
5	didn't want to in a public document get into accusing
6	Americans of something that I had no direct knowledge of.
7	Q Did you ask Felix any questions about North
8	after he told you that North was involved with these
9	people and was using people associated with Wilson?
10	A No, I did not. I had assumed that Ollie would
11	come to whatever meeting I pulled together the next week.
12	He did not, in fact.
13	Q Do you recall calling up to North's office
14	during this August 8 meeting and asking for Ollie to come
15	down?
16	A Yes, I might have. You know, now that you ask
17	me, I might have, but I would not have recalled that if
18	you hadn't asked me.
19	Q Let me see if I can refresh your recollection.
20	Do you recall making that telephone call and upon finding
21	that North was not out asking Bob Earl to come and join
22	the meeting, which you then did?
23	MR. RAUL: Excuse me. You said upon finding
24	that North was not out?
25	BY MR. BELNICK: (Resuming) UNGERASSIFIED

q inac worth was out, asking bob Earl to come
join the meeting, which Earl did?
A Now are we still talking about the 8th?
Q Yes, sir.
A I am really fuzzy on that because I know that
Earl came to the 12th.
Q You don't place him at the 8th?
A I do not place him at the 8th. Now, you know,
Sam or Felix might have a feeling of that, but, you know,
if that's true, then our chronology would need to be
caugmented because as of now and when we put this
together, Sam's and my recollection was that there was
just the three of us.
Q I think it's fair to say that both Rodriguez
and Earl recall Earl being there, but your recollection
governs your testimony.
A Well, as I say, I'm very fuzzy on it and I
know he was there on the 12th, but I would not have
placed him there on the 8th.
Q Okay. Now you mentioned notes in Alan's
briefcase. Are they private notes or are those notes for
production here?
A No. It was a card on which I had put down the
date of my testimony to the FBI.
Q I'm always looking for more documents. Alan
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1	doesn't supply us with enough. What did you do after
2	that meeting in furtherance of the concerns or
3	furtherance of airing the concerns that Felix had raised?
4	A Well, I knew at that point that there were
5	four things going on down there. One was the
6	humanitarian effort, the \$27 million that was being
7	administrated by the State Department. Two
8	
9	Three, there was the informal
10	support network which Felix indicated he was involved in,
11	which I knew Ollie had been involved in. And fourth
12	there was CIA getting geared up to administer the new
13	\$100 million
14	I didn't know which of those four activities,
15	what Felix had described to me tied in specifically. So
16	I tried to get somebody from every organization to be
17	certain that the concerns that I was going to voice would
18	go to an organization with provenance or responsibility
19	in those areas. So I called State and, as luck would
20	have it, Ambassador Corr was in town and he came over
21	with the Deputy Assistant Secretary of State.
22	Q That was William Walker?
23	A William Walker. I called CIA and got the
24	officer who was in charge of setting up the organization
25	to come over.
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Q When you say "setting up the organization", what organization?

A Well, he was, I knew, in charge of -- see, it had been decided that CTA was going to have sway over the \$100 million, and he had been given the responsibility of setting up the CTA organization that would administer that and support the contras with those funds.

Then I also knew that Ollie North's office was tied in, so I invited him to come. I don't know whether he was out of town or in town, but he did not come, but he sent Bob Earl.

- Q Ray Burkhardt also attended?
- A Yes. Ray Burkhardt also attended from the NSC, and Sam Watson, I remember, commented to me afterward that that caused some annoyance on the part of Bob Earl because Earl made the comment that, you know, Burkhardt doesn't know anything about this and shouldn't know anything about it.
 - Q Who invited Burkmardt?
- A I did.
- Q Don, you said -- and I just want to make sure
 I understand it and that the record is clear -- a few
 moments ago the four subjects, and when you got to North

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1	you said North's involvement, which I knew. Did you have
2	any knowledge about it aside from what Felix told you on
3	August 8?
4	A Well, I had that knowledge plus what I had
5	observed by just being in and around the White House.
6	But I did not have any more detailed knowledge.
7	Q And my understanding and if I'm wrong,
8	please correct me of what you said you had observed
9	around the White House was that Ollie was involved with
10	private fundraisers, the Channell types and so forth?
11	A That's right.
12	Q But not anything beyond that that would have
13	indicated to you at least prior to August 8 that North
14	was involved in contra resupply in any way?
15	A That's right. Well
16	Q Or was there?
17	A Well, the one other thing which comes to mind
18	is the videotape which I think I mentioned. Haven't I
19	mentioned? I've mentioned that in one of my depositions.
20	Q Why don't we put it on the record?
21	A That Ollie at one time showed in the situation
22	room a videotape taken at the contra camps. Also, it
23	seemed to show airplanes taking off and bundles being
24	kicked out and contras receiving them. It wasn't clear
25	what was in the bundles, was nothing that Ollie

2	informal supply network that I knew he was involved with.
3	Q That's where I'm getting confused. You say
4	the informal supply network you knew he was involved
5	with. Tell me what you mean by the "informal supply
6	network".
7	A Well, I knew that there were American citizens
8	who were willing to contribute money for humanitarian aid
9	to the contras and he was involved in that.
10	Q Now did you know that any of those groups was
11	involved also in supplying lethal aid to the contras?
12	A No, I did not.
13	Q And, keeping it prior to August 8, did you
14	know that North was involved in helping facilitate the
15	supply of lethal aid to the contras in any way?
16	A No.
17	Q When did he show this videotape?
18	A I can't remember when it was.
19	Q Who else was there?
20	A I think it was shown to most of the members of
21	what they call the Office Directors Staff Meeting, which
22	is held at 7:30 in the morning every day in the situation
23	room.
24	Q Who typically attends those? Let me make it
25	more specific. Who do you recall having attended that

answer by telling me who generally attends those

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videotape showing, and if you can't say specifically then

3 sessions?

A Well, it was the ten or 12 senior people on the National Security Council staff. I recall Ollie saying that he had such a tape and after the meeting broke up several of us hung around. I didn't watch the whole thing. I just watched the beginning and then left.

Q Do you remember who else was there?

A No, I don't.

Q Did Ollie tell you where he got the tape?

A I gathered that it had been made certainly in Central America, but he did not tell me where he had gotten it. I think he also said that it was being used as an aid, an adjunct to the fundraising among the American groups with whom he was meeting.

 $\,$ Q $\,$ Now tell me what happened at the August 12, 1986 meeting.

A Well, I went over the notes with the people who were there. I specifically remember cuttling back on Felix's rhetoric. I did not make any references to Watergate. I also said that it was my feeling that Tom Clines was not a reliable person, that I had known Felix for many years. I felt that he had a very good sense of integrity, that if he was concerned about these things he

It's hard for me to differentiate between your

Up until I menior di SSIFIED recalled

29

1	had a right to be concerned. I expressed my admiration
2	for Jim Steele, who he said felt just as he did.
3	And the only specific reaction that I
4	remember, other than people saying thank you very much,
5	we will look at this, was from CIA or saying
6	thank you. We know about these guys and in effect we had
7	no intention of hiring them anyway.
8	Q Do you recall that Jim Steele was at the
9	meeting on August 12, 1986? I know he's not listed in
10	the chronology, but do you recall that he was there?
11	A He might have been, now that you mention it,
12	but we don't have him listed.
13	Q He thinks he was.
14	A Okay.
15	Q But you don't have a specific recollection?
16	MR. LEON: He might have been there with Corr.
17	THE WITNESS: Yes, he might well have been
18	there with Corr because they frequently did travel
19	together.
20	BY MR. BELNICK: (Resuming)
21	Q But do you recall him being there, as you sit
22	here now?

planting the seed and my recollection.

23

UNCLASSIFIED it? 1 I hadn't recallled it. 2 Q But as I mentioned it it strikes --It certainly could be possible. Did you take any notes at the meeting? Q No, I did not. Α Did anybody that you saw? Q I don't recall that anybody did. Did you mention at this meeting that Felix had told you, or what Felix had told you of North's 10 11 involvement with these people? No, I don't think I did. I think my 12 concenitration was on what these people were doing, the 13 profit that was being made, the confusion about who owned 14 the airplanes, the quality of the airplanes, the quality 15 of the equipment. 16 Now did you report any of this to the Vice 17 President? 18 19 I did not. None of what Felix told you? 20 21 None. 22 What was the reason you decided not to make .23 such a report? Well, I felt that it was a very murky 24 business. I spend a great deal of my time trying to send 25

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things to the Vice President that I think are really Vice Presidential. I try to keep him focused, help him keep focused on arms control or Mideast peace or things of that nature. We had never discussed the contras. We had no responsibility for it. We had no expertise in it. I wasn't at all certain what this amounted to.

I had the names of four or five Americans on an obscure air base in Central America who apparently were ripping off donated funds and making unseemly profits. I felt I had passed along that material to the organizations who could do something about it, and I frankly did not think it was Vice Presidential level.

Q Did you confront North about his role?

A No. I didn't see Ollie for some time after that. This meeting was on the 12th of August. I went on leave on the 14th. I came back, I think, on the 19th. I had major surgery on the 21st, and was out of the office until the 3rd of September.

Q Before you left or after you returned on the 3rd of September did you try to see Ollie and talk to him about what Felix had told you of his role?

A No, I didn't because my feeling had always been with Ollie, as I saw him working as hard as he did and spread as thin as he was, was that he was stretched very thin and my assumption had been that he had gotten

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1	some people involved, thought they were doing a job, but
2 .	was not in a position to really exercise quality control.
3	over what they were doing.
4	Q Now you said that when Felix mentioned names
5	like Ed Wilson and Tom Clines to you he knew that they
6	would sound an alarm in your mind.
7	A That's right.
8	Q And they did?
9	A That's right.
.0	Q Because of the involvement with Libya, and
.1	that you and Felix were both former Agency.
.2	A Right.
.3	Q So that was an important matter when he told
4	you that they had become involved in the contra resupply?
.5	A Well, certainly Tom Clines. I didn't know
.6	Secord. The only two names that set off bells in my mind
.7	were Clines and Wilson, and Clines because of his
.8	involvement with Wilson. I felt that Clines was
.9	certainly a man capable of corruption, so when I heard of
0	his involvement I thought, well, there is a chance that
1	there is corruption here.
2	Q And Ollie North was involved with those
:3	people?
4	A Yeah, but I did not and do not and would not
:5	assume that Ollie was any part of corruption. My

1	assumption was that I was doing him a favor by alerting
2	him to something that he did not know about. Now that
3	was naive on my part, but at the time that's what I
4	thought I was doing.
5	Q On the other side of the coin, you knew from
6	Felix that this operation was involved in getting lethal
7	assistance to the contras.
8	A I did after he mentioned hand grenades.
9	Q Hand grenades. He also told you, as your
10	notes reflect, that proceeds, dollars, had been swapped
11	for weapons, correct?
12	A Yes. The only specific weapons were hand
13	grenades.
14	Q That's not humanitarian aid.
15	A Right.
16	Q And then North was involved with a group that
17	was at least doing that, I take it. Let me strike that.
18	Don, you didn't conclude from what he told you
19	that the only weapons that this private supply group was
20	supplying the contras with was hand grenades?
21	A No. That's the only one he mentioned.
22	Q But it would have been your assumption,
23	wouldn't it, that there were other weapons they were
24	supplying, too?
25	A I would have thought certainly ammunition.

_	Q Lethal as opposed to numanitarian aid:
2	A Right.
3	Q What I'm trying to probe, then, is, with all
4	respect here, you're told on August 8, 1986, that there
5	is this group, unsavory to boot, which is supplying
6	lethal aid to the contras and North is using these
7	people. North is involved with the group, right?
8	A Um-hum.
9	Q And North is a member of the staff of the
10	National Security Council, correct?
11	A Um-hum.
12	Q The Vice President is a statutory member of
13	the National Security Council, correct?
14	A Um-hum.
15	Q There is still a law in effect, at least until
16	the next one kicks in, that bars this kind of activity,
17	the Boland Amendment that has restrictions at that time.
18	Didn't that strike you as a matter that was of some
19	serious import?
20	A I had no sense at that point, nor do I now
21	and maybe that's from an insufficient reading of the
22	Boland Amendment I had no sense then nor do I now that
23	anything I had heard was, ipso facto, against the law.
24	Q I'm not asking you for a legal opinion, but
25	did you believe, leaving legal opinions out of it UNCLASSIFIED

well, let's not leave legal opinions out of it. As of
that time, had you ever received a legal opinion that
members of the National Security Council staff were
exempt from the Boland Amendment?

A No.

Q Had you ever received any legal opinion on the Boland Amendment and what it applied to and what it didn't apply to?

A We were aware that the Boland Amendment was a moveable feast, that there had been various versions of it, that the CIA had been authorized, for example,

that that

had been briefed to the Boland Amendment. So I had no sense of illegality. I had a sense of corruption, which is what I thought I had taken care of by the meeting on the 12th.

- Q But corruption is pretty important as well.
- A Right.
 - Q Especially when the man involved with the corrupt, wittingly or not, and you had no reason to believe it was wittingly, is a member of the National Security Council staff.
 - A Okay, and his deputy attended that meeting,
 Bob Earl, and I knew Bob Earl, Rhodes Scholar, very
 bright guy, and I think I said to him at the end of the

1	meeting, Bob, I assume you will pass all of this along to
2	Ollie. He said, I certainly will.
3	Q What about Ollie's superior? Earl was junior
4	to Ollie, right?
5	A Yes.
6	Q What about getting the word to Ollie's
7	superior?
8	A Until I had had that's not the way I
9	operate. If I see something that is questionable in the
10	way somebody is going, I go to him and I say I think this
11	is something you ought to know about, and I tried to do
12	that with Ollie. It's just not my way to go running to
13	his boss and say, hey, I think your guy's up to
14	something.
15	Q So let me understand now, to go back to Boland
16	and the restrictions. At the time, August of 1986, did
17	you think, leaving legal analysis aside, did you think at
18	that time that it would have been permissible for a
19	member of the staff of the National Security Council to
20	facilitate the provision of lethal aid to the contras?
21	A As long as the funds were private the flag of
22	illegality did not arise in my mind at all.
23	Q So if a member of the National Security
24	Council staff was directing lethal aid down to the
25	contras but not paying for that letter the contrast but not paying for that letter the contrast but not paying

1	government funds, in your mind that would have been okay?
2 .	A I had no question. The question of illegality
3	did not arise in my mind.
4	Q And that was permissible, as far as you were
5	concerned?
6	A Yes.
7	Q Had anyone ever told you that?
8	A No. There had been various exchanges of a
9	jocular nature in the ODSMs about how busy Ollie was and
LO	about all of the things that he was doing, and he would .
11	refer to, in a jocular sense, to the fact that my lawyers
L2	tell me, you know, I'm all right that kind of thing.
L3	Q Did Ollie ever tell you who those lawyers
14	were?
15	A No.
16	Q And you never saw such an opinion, did you?
17	A No.
18	Q What is ODSM, for the record?
19	A Office Directors Staff Meeting.
20	Q The same kind of meeting at which he showed
21	the tape?
22	A Yes.
23	Q Do you recall let's go back to August 1985.
24	Was it your opinion there, as well as it was a year
25	later, that as long as government money wasn't paying for UNGRASSIFIED.

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25	A No.
24	August of 1985?
23	Do you recall that there were Congressional inquiries in
22	Q I'm just asking. I want to set it in context.
21	A Yes.
20	it would have been okay?
L9	lethal assistance was coming from outside the government,
L8	assistance and under your assumption the money for that
L7	facilitating a network that was supplying lethal
L6	thing in August 1985, that Ollie was involved in
.5	Q Was it your view, if you had heard the same
.4	A Apropos of what?
.3	Q In August 1985
.2	BY MR. BELNICK: (Resuming)
1	speak for itself and Don can speak for himself.
10	MR. BELNICK: Well, Alan, the record will
9	illegality when he heard about these matters.
8	Gregg testified that it didn't raise a red flag of
7	opinion in 1986 that it was legal. I think that Mr.
6	I don't believe Mr. Gregg testified that it was his
5	MR. RAUL: Let me interject for a second here.
4	be okay?
3	or otherwise giving them military assistance that would
.2	involved in getting lethal assistance down to the contras
1	the lethal assistance, if an NSC staff member was

1	Q Do you recall that Congressman Barnes,
2	Congressman Hamilton, and I think two Senators as well
3	wrote letters to Bud McFarlane in that month, I believe,
4	of August 1985, based on news articles which contained
5	allegations that North was involved in these kinds of
6	activities, among others; do you remember that?
7	A No.
8	Q You weren't involved in collecting the answers
9	to that?
10	A No.
11	Q And you never saw any of the answers?
12	A No.
13	Q Do you remember, going forward now a year back
14	to August of 1986, that in that same month that you were
15	advised that Ollie was involved in these kinds of
16	activities that there was a resolution of inquiry in the
17	Congress about North raising assertions that he was
18	involved in this kind of activity?
19	A A resolution of inquiry?
20	Q Yes.
21	A No.
22	Q And you do not recall hearing at that time
23	that the Congress was, again in August of '86, looking
24	into just these sorts of questions?
25	unglassified

1	Q NOW I want to understand something else. Its
2	used the term that you'd only report to the Vice
3	President and I can understand that that which you
4	considered Vice Presidential material, right?
5	A Right.
6	Q The Vice President had previously been
7	Director of the CIA?
8	A Right.
9	Q So am I right that the same news about Wilson
10	and Clines would have set off bells in his mind as well,
11	if for no other reason than his involvement as the
12	Director of the Agency?
13	A Yes, probably so.
14	Q That did not obviously, though, change your
15	view about whether he should know?
16	A No, it did not.
17	Q You said you had no expertise in contra
18	operations. By "you" I guess you meant the Office of the
19	Vice President.
20	A That's right.
21	Q That was another reason the Vice President was
22	not informed?
23	A Well, we had never discussed it. With Felix -
24	- I had never discussed it with him. It was just nothing
25	in which I had any competence or felt he had any

1	competence.
2	Q Did you feel that the Vice President had any
3	competence in the El Salvador situation?
4	A He had a stake in it because he had gone down
5	and in one of the most difficult meetings I have seen him
6	conduct he spoke against right-wing death squad activity
7	to the entire military establishment of El Salvador. He
8	was a great admirer of Duarte who subsequently was
9	elected, so he had a stake, I felt, in that country.
0	Q But he felt likewise, didn't he, about the
1	Sandinistas?
2	A Yes. He's always been against the
3	Sandinistas. He feels they are what they say they are, a
4	Marxist hardline dictatorship.
5	Q And he's made that clear in public statements
6	as well?
.7	A Right.
.8	Q Now what I'm wondering is what distinguished
.9	Salvador from the contras in terms of a willingness to
0	bring Felix Rodriguez to the Vice President and tell him
1	about Felix's interest in helping out and so forth, why
2	again is that Vice Presidential material but when Felix
:3	comes and tells you that the contras are being ripped off
4	by a band of thugs who are involved with Ollie North, a

25

member of the National Security Council staff, that's not

Vice Presidential material.

A Well, I didn't know at that point that they were involved with Ollie North. All I knew was that it sounded as though there was some ripping off going on at base.

Well, you told me that he said to you that Ollie was using some people like that, that he invoked the word "Watergate", and when we look at the note you say what's missing from your notes is the word "Ollie". So if it was there, it would say Ollie using Ed Wilson group for supplies, et cetera.

A Okay. Still, my feeling about Ollie is that he was doing far more than any one man should do, that he went out, having been given a broad mandate. I mean, he was charged with trying to get the hostages released. He was in charge of trying to keep the contras afloat. He went out into the world, found people who were ready, willing, and able to help, and they were not the best people, and that he was not in the position to exercise quality control.

So when you say he was involved, I had no sense that he was involved in corruption. I had the feeling that he had set up something which wasn't working out as he would have wished and that I was, as I say, doing a favor to him in alerting him to it.

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1	Q bid you know who had addhorized criver worth
2	to use or set up this kind of resupply network?
3	A Not specifically, no.
4	Q Did you have any knowledge?
5	A Well, one sensed from what he said in the
6	morning staff meetings that what he was doing was known
7 -	certainly by Bud McFarlane and John Poindexter, that he
8	was trying to rally private support to keep the contras
9	afloat.
.0	Q When he talked about the proceeds at the
.1	August 8 meeting "he", Felix of funding having been
.2	swapped for weapons, you told me you understood him to be
.3	referring to the dollars that had been raised by the
.4	private benefactors; correct?
.5	A Yes.
.6	Q Did you know at that time that the private
.7	benefactors had been contributing to tax exempt
.8	foundations?
.9	A No.
20	Q Don, when was it that Felix Rodriguez first
21	told you let me strike that and we'll come back to it.
22	Did Felix tell you what his role was vis-a-vis this
23	private supply network as of August 8, 1986 other than
24	the plane being repaired?
25	A No, he did not, and I assumed I mean, I've

1	never been but I assume it's not the biggest
2	air base in the world. I assumed that planes were going
3	in and out.
4	He had gotten to know
5	these people,
6	
7	When did he first tell you that his
8	involvement was more than that "he" being Felix
9	Rodriguez?
10	A Yes, "he" being Felix Rodriguez. My
11	recollection is that it was not until December.
12	Q And tell us what you recall happening then
13	early December?
14	A No. I think it was probably mid to late
15	December, after the chronology had been put out, and it
16	was obvious that what was happening was developing a lot
17	of notoriety. And Felix called me to indicate that he
18	was terribly sorry that this might cause some difficulty
19	for the Vice President or for me. He was very
20	emotionally upset. And at that point was the first time
21	that he told me in any sense that I recognized that he
2 2	had been formally asked by Ollie to help and then asked
23	by Ollie not to tell me about it.
24	Q What specifically do you recall he told you?
25	A It seems to me didn't we turn over a small

1	piece of paper with a scribbled note on it that I made or
2	the basis of
3	MR. SCHMITZ: We have turned it over to White
4	House Counsel.
5	MR. RAUL: In fact, we wanted to bring some
6	documents that are in process in our shop to your
7	attention here at this deposition.
8	MR. BELNICK: There's not time like right this
9	second.
10	MR. RAUL: Why don't we go off the record?
11	(A discussion was held off the record.)
12	MR. BELNICK: Let the record show that I have
13	just marked as Gregg Exhibit 3 a one-page document that
14	was just handed to me off the record by Mr. Raul, which
15	appears to be a copy of a handwritten note that starts
16	"September '85" and then some typing.
17	(The document referred to was
18	marked Gregg Exhibit Number 3
19	for identification.)
20	BY MR. BELNICK: (Resuming)
21	Q Don, why don't you describe Gregg Exhibit 3
22	and tell us what it is?
23	MR. RAUL: If I could just state for the
24	record, we are providing these documents during the
25	course of this deposition in advance of the regularly-
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1	scheduled production that we will be making both to the
. 2	House and the Senate Select Committees. The routine
3	production of these documents should be later this week,
4	perhaps tomorrow, and because of Mr. Gregg's deposition
5	today we brought these documents over to provide to the
6	Committee today.
7	MR. BELNICK: Okay.
8	BY MR. BELNICK: (Resuming)
9	Q Don, what is this document, Gregg Exhibit 3?
10	A Well, it is a note which I took during a phor
11	call which I placed in mid-December in which I guess it
12	became clear to Felix that there was going to be a
13	continuing hue and cry about the entire affair. He
14	called and said that he had received a letter from Ollie
15	in September.
16	Q Of 1985?
17	A Of 1985, and that this had been the start of
18	his involvement and, as he told me this, Felix became
19	very emotionally upset and said I truly hope that I have
20	not caused problems for you and the Vice President. And
21	the unsaid thing, I think, was not telling us before the
22	he had been involved by Oliver North more directly in the
23	contra support effort.
24	Q What did he tell you the letter said, the
25	letter of September 1985?

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2	asked me to aid and assist in the effort.
3	Q In what effort?
4	A Well, in the effort to support the contras.
5	Q Did he tell you why North had asked him to
6	keep it a secret from you?
7	A Not at that time. I think it was Felix
8	recalls Ollie telling him in Washington don't tell the
9	people on the second floor about this, meaning my office
10	Q Why not? Did you understand why he didn't
11	want you told?
12	A Well, I was in the process of learning a lot
13	about Ollie that I didn't know at that point, and I would
14	say it is a consistent pattern of Ollie's to keep things
15	very heavily compartmented.
16	Q Did Felix, though, give you any understanding
17	of why North had wanted Felix's help with the contra
18	support effort under Ollie's direction to be a secret
19	from Don Gregg?
20	A I have some assumptions on that.
21	Q What was your understanding?
22	A I think that both the Vice President and my
23	office have a reputation for being sort of orderly,
24	process-oriented people, and that had I known of what
25	Felix was involved in and had I known then what I have

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1	come to know, I would have expressed some concerns about
2	it.
3	Q Why?
4	A Well, because that would have raised the
5	question of possible illegality, which did not come up in
6	my mind by just hearing about what I took to be external
7	observations voiced in August.
8	Q Well, you've got exactly what's on my mind,
9	and what I'm trying to understand is what about that, the
LO	additional material you learned, would have raised the
11	question of illegality, to use your term, that was not
L2	raised for you in August when Felix made his disclosures
L3	on August 8?
L4	A It's hard to answer that kind of question, to
15	recall what you knew at the time.
16	Q I understand.
17	A So that in terms of what I knew in mid-
18	December was an awful lot more.
L9	Q What are the additional facts? I understand
20	that it's hard to say what you didn't know in August.
21	But what are the additional facts that you had in
22	December or thereabouts?
23	A Well, the main fact would have been the
24	diversion of funds from Iran, about which I had
25	absolutely no clue in August and didn't have a clue until

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2	Q And Felix didn't talk to you about that?
3	A Absolutely not. He didn't know himself.
4	· Q So, taking away the diversion, is there
5	anything that Felix told you about North's role in
6	December that was different than what he had told you?
7	A No. Any change of information that I had had
8	come not from Felix but from what I had learned in
9	Washington.
10	Q So the only new thing that Felix told you
11.	really was that he had been told, A, to keep secret from
12	you that, B, he was doing a lot of things under North's
13	direction.
14	A Right.
15	Q Now had the FBI spoken to you before Felix
16	did, asking for Felix's telephone number or whereabouts?
17	A I think so. I mean, Felix is in close touch
18	with the FBI. I mean, Castro has sent people after Felix
19	twice and Felix works very closely with the Bureau, and
20	the Bureau knows exactly where Felix lives. Now I
21	testified or I talked to the FBI sometime in December.
22	There's a note. I can give you the exact date.
23	Q I would like to have the date, if we could.
24	A And I've pot the name of the people I talked
25	to On December 15 at

1	10:00. And I told them about the 8 August meeting, but I
2	did not give them the names of the people, because, I
3	said, look, this I guess comes from my sensitivity as a
4	former Agency employee about passing on derogatory
5	information about U.S. persons.
6	And I said Felix is prepared to tell you
7	everything. He's got the names of some people that he
8	feels were involved in questionable activities and he
9	will give you those names.
10	Q Your conversation with Felix in December, as
11	best you recall it, came after the December 15
12	conversation with the agents?
13	A I think so. You know, I can't swear to that,
14	but I think it did.
15	Q The note you made of your conversation with
16	Felix in handwriting, which is part of Gregg Exhibit 3,
17	is that the only note you recall taking of the
18	conversation?
19	A Yes. Yes. And Felix called me quite often
20	and frequently it was what I would call sort of combat
21	catharsis. He used to do the same thing in Vietnam. He
22	would come back from an operation in which some people
23	had been lost and he would tell me about it, and he would
24	do the same thing from El Salvador. I very seldom took
25	notes. I did take a note of that because it was so
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1	stunning to me.
2	Q What was so stunning?
3	A Well, the fact that Ollie had formally
4	recruited him into this and that Ollie had asked him not
5	to tell me about it.
6	Q The note, however, is simply a note about the
7	September 1985 letter from Ollie, was first tie to contra
8	support.
9	A Right.
10	Q And that's really why I was asking because the
11	stunning part, as you describe it, isn't in this note.
12	A That's right. That I would never forget. I
13	wanted to put down the time frame of the thing. Now I
14	found that, funnily enough, this note in the pocket of a
15	suit that I apparently wore in December and I didn't find
16	it. It was a particular heavy suit, and I didn't find it
17	until several weeks later.
18	Q And when did you find the note, April 13,
19	1987; or is that when you signed this exhibit?
20	A That's when I signed the exhibit. But we were
21	going through an extensive document search at that point
22	in response to the Special Counsel, and it was about at
23	that time that we found that.
24	Q Around April 13, 1987?
25	A Something like that. When were the doing our

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1	search?	
2		MR. SCHMITZ: The first two weeks of April.
3		BY MR. BELNICK: (Resuming)
4	Q	And you found the note in a suit pocket?
5	А	Yes.
6	Q	Just crumpled up in the pocket?
7	A	Yeah.
8	Q	And again that note had been taken sometime in
9	mid-Decembe	er of 1985?
10	A	That's right. That's why I can't date it more
11	specifical	Ly.
12	Q	You had a lot of phone calls, as you've told
13	us, in the	past with Felix during the period that he was
14	down in El	Salvador.
15	A	That's right.
16	Q	${\tt Am}\ {\tt I}$ correct that you didn't take notes of any
17	of those?	
18	A	No, I didn't. Well, I can't say I never did.
19	I mean, if	he talked to me about a specific helicopter
20	part that 1	ne was anxious, or, you know, occasionally I
21	would note	a fact, but as a matter of record, normal
22	procedure,	I didn't.
23	Q .	Did you report to the Vice President on any of
24	Felix's ca	lls to you?
25	A	Yeah. I reported, I think, in some of the UNICEASSIFIED

1	other documents. There was a DIA report of his big
2	success, the one that he described and wrote a long
3	letter to me about, and if he called and said he'd had a
4	particular success, I might mention that to him, because
5	the Vice President had been so struck by him, just as I
6	had been.
7	Q Let's mark as the next exhibit, Gregg Exhibit
8	4, this document, also produced a few moments ago by Mr.
9 .	Raul. And it is four pages, the first page of which is
10	dated May 14, 1987, To Whom It May Concern, signed Don
11	Gregg. And there are some additional pages attached.
12	(The document referred to was
13	marked Gregg Exhibit Number 4
14	for identification.)
15	Don, let's take the pages the last page first
16	of Gregg Exhibit 4. There's a schedule proposal dated
17	April 16, 1987. Who is Debbie Hutton?
18	A Debbie Hutton was head of the Vice President's
19	scheduling office.
20	Q And did you initial this memo?
21	A I did not. That is the initials of my
22	secretary, Phyllis Byrne the handwriting of my
23	secretary.
24	Q Who wrote the document?
25	A She typed it up in conjunction with, I assume,

1	Colonel watson.
2	Q Who dictated it?
3	A That is a matter that is unclear. Phyllis
4	normally produces these schedule proposals, and she's
5	very good at doing it, based on what we knew of the
6	purpose of an upcoming meeting. The thing that we cannot
7	establish is where the phrase "resupply of the contras"
8	came from.
9	Q Next to purpose of the meeting, just for the
10	record, it reads: Purpose: To brief the Vice President
11	on the status of the war in El Salvador and resupply of
12	the contras. Right?
13	A Right.
14	Q Phyllis, her last name is Byrne?
15	A B-y-r-n-e.
16	Q And does she still work for you?
17	A She does.
18	Q Did you ask her I'm sure you have where
19	she recalls getting that phrase?
20	A She believes she got that phrase from Colonel
21	Watson.
22	Q Have you asked Colonel Watson?
23	A I have, and he says he did not say that to
24	her.
25	Q Is there any place else sne could have gotten
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1	it?
2	A No, I just can't account for it and I don't
3	want to speculate about it.
4	Q You didn't give it to her?
5	A I did not.
6	Q She didn't come up with it on her own.
7	A She says she did not.
8	Q And Colonel Watson says he didn't give it to
9	her.
LO	A That's right.
Ll	Q Whose handwriting is on the document that
12	we're looking at aside from hers? She put your initials
13	on it, correct?
14	A Right.
15	Q Then there's a typo in El Salvador. The extra
16	"a" is crossed off, and some additional dates are written
17	on it. And there are some other things at the bottom,
18	"per Justine" and so forth. Whose handwriting is all
19	that?
20	A I assume it may be Phyllis Byrne's or somebody
21	in the scheduling office setting up a time for the
22	meeting.
2 3	Q And they were changing it from April 22 or 23
24	to?
25	A It was either May 1 or May 2. The first

1	notation would indicate it was going to be either May 1
2	or May 2, and then the later one was May 1 at 11:30 in
3	the West Wing.
4	Q In other words, this document, this schedule
5	proposal went to Debbie Hutton without this handwriting
6	so far as you can tell?
7	A Without the handwriting below.
8	Q Now any time on April, and then it's changed
9	to 28-May 2. Do you know who put that in?
10	A No; I don't know whose handwriting that is.
11	Q Do you know if the memo went out with that on
1,2	it or not?
13	A I would assume that it did.
1.4	Q And Debbie Hutton keeps the Vice President's
15	schedule?
16	A She's no longer there.
17	Q She did?
18	A She did.
19	Q So this would be the way that a meeting would
20	be set up for the Vice President?
21	A That's correct.
22	Q A standard sort of document.
23	A That's right, and a very routine document to
24	which people do not pay close attention.
25	Q And Phyllis Byrne has put your initials on

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1	other such documents?
2	A That's correct.
3	Q Let's take the next page from the back of this
4	exhibit, the memorandum to you from Debbie Hutton
5	approving a meeting for May 1.
. 6	A That's right.
7	Q And that would have been in response to the
8	scheduling proposal we just looked at, correct?
9	A That's right.
10	Q Now we move to the next page. This is April
11	30, 1986. This is a briefing memorandum.
12	A That's right.
13	Q For the Vice President.
14	A Which would go in his daily notebook and would
15	be, if he were to flip through to see who am I seeing
16	tomorrow and why, this would be what he would see about
17	any specific meeting.
18	Q Did Ms. Byrne put your initials on this?
19	A She did.
20	Q And this one is dated 14 days after the
21	scheduling proposal.
22	A That's right.
23	Q And under Purpose it says "Felix Rodriguez, a
24	counterinsurgency expert, who is visiting from El
25	Salvador, will provide a briefing on the status of the

War in El Salvador and resupply of the contras.

2	A That's what it says.
3	Q What have you learned about who wrote that?
4	A Again, that would have been Phyllis Byrne, and
5	the language would have just been picked up from the
6	schedule proposal.
7	Q Is that what she's told you, that she just
8	picked it up?
9	A That's right.
10	Q Didn't discuss this again with Colonel Watson?
11	A No.
12	Q And you don't recall reviewing this document
13	before it went into the briefing book?
14	A No, I did not.
15	Q Do you typically review those documents?
16	A No. I mean, if they are sensitive meetings
17	with a head of state, I do. In this case, Felix had said
18	he was in town and his morale was rather low. He had
19	some pictures to show the Vice President of his
20	operations and it was nothing that I would have reviewed.
21	But these documents jumped out at me in
22	December of 1986. We at that point were putting together
23	Exhibit 1, the chronology, and in doing so we made quite
24	a full review of the documentation and we came across
25	these documents. As soon as we did, it jumped out at us

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25	1A?
24	which we have here, and which will be marked as Exhibit
23	in and repeating it again in the May 14, 1987 amendment
22	Q What was the purpose of putting that statement
21	A Right.
20	military aid to the contras in Nicaragua." Correct?
19	involved in directing, coordinating, or approving
18	communication with Felix Rodriguez but were never
17	Donald Gregg and his staff maintained periodic
16	sentence. "The meetings and telephone calls how that
15	secretary in the top paragraph. I guess it is the second
14	Exhibit 1. I'm looking at the statement by the press
13	Q Let me ask you something about the chronology,
12	A At all.
11	Q At all?
10	discussed in the 1 May meeting.
9	to discuss contra resupply, nor was contra resupply
8	But, as I state here, there was no intention
7	for what they say.
6	present I said we have these documents. I cannot account
5	Select Committee with Mike O'Neill and a couple others
4	testimony or in the interview that I gave to the House
3	horns, raise it. We raised it in our office and in the
2	the contras. So I thought, well, take the bull by the
_	

(The document referred to was

2	marked Gregg Exhibit Number 1A
3	for identification.)
4	A Well, these statements were written not by me
5	but by the Vice President's press secretary, and I think
6	they were an attempt to refute what seemed to be a
7	suspicion or an assumption on the part of many in the
8	press that from the outset Felix had been sent down into
9	El Salvador to help with the contra resupply.
10	Q Would there have been anything wrong with that
11	as far as you understood things, based on what you've
12	told me today?
13	A I would have a different reaction if Felix had
14	come to me in late '84 to say I want to go down and help
15	with the contra resupply. I would not have gone to bat
16	on that.
17	Q I'm interested. Why not?
18	A Well, because it was nothing that concerned
19	me. Felix and I are both experts or were knowledgeable
20	in terms of counterinsurgency operations and low
21	intensity conflict. We happen to think that that's the
22	kind of war it is likely we will have to fight, and I
23	know that Felix is one of the people who is best
24	qualified to do that kind of thing in El Salvador. So
25	when he came and said I'd like to go down and be of help
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on that, I was interested, the only time I have reached back in my Agency career to bring forward a contact from that time to try to place someone, and I did that because I felt he was uniquely qualified in that field.

And he's also unique in that he's willing to risk his life every time he goes out in a helicopter and flies at treetop level. Now if he had come to me and said hey, I want to go down and help with the contras, I'd have said well, Felix, go do that yourself, because I felt that he had no unique qualifications there.

Q What if Felix had said to you I want to go down to El Salvador and help fight the counterinsurgency, as he did, and I would also be interested in helping the contras while I'm there if I can? Would you have said to him you can't do that?

A No.

Q Now the statement that is in Exhibit 1 and repeated in what has now been marked as 1A, which is the May 14, 1987 statement amending the chronology, it says, as we've read it, that you and your staff were never involved in directding, coordinating or approving military aid to the contras in Nicaragua.

Do I understand that this is not meant to say that you were not knowledgeable about the receipt of military aid to the contras in Nicaragua? I'm only

1	asking because the phrasing seems very specific.
2	A I'm sorry, where are you?
3	Q Let's take a look at Exhibit 1. The language
4	again is picked up there at the second sentence in the
5	press release, beginning "The meetings and telephone
6	calls show that", et cetera, that you maintained periodi
7	communication, that you were never involved in directing
8	that's true coordinating, true, or approving
9	military aid to the contras in Nicaragua.
.0	A Right.
.1	Q And that phrase then is picked up again, as
.2	you see, in 1A. What I'm asking you is, is that phrase
.3	meant to be taken literally so that I would not read tha
.4	as a denial that you and/or your staff had knowledge of
.5	military aid being received by the contras in Nicaragua
16	through Felix Rodriguez?
١7	A You're getting me into a highly speculative
L8	thing. I didn't write this.
L 9	Q You didn't discuss it with the press people?
20	A No. They are the people who put it out and I
21	think it was designed to knock down what they felt was
22	unfounded speculation on the part of the press.
23	Q Did you review it before it went out?
24	A No.
25	Q You didn't review this?
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-	A I ala not.
2	Q Did you review the statement of May 14, 1987?
3	A Yes.
4	Q But not the one of December 15, 1986?
5	A No.
6	Q Any reason that you reviewed 1A but not 1?
7 -	A They were put out by different press
8	secretaries. This was put out, the 15 December one was
9	put out by Marlin Fitzwater and this one was put out by
10	Larry Thomas.
11	Q One-A is Larry Thomas?
12	A Yes.
13	Q How did the meeting of June 25, 1986, which la
14	informs us of, get into the chronology? That is, how did
15	the review that was undertaken find that meeting?
16	A It turned up on a three by five note card that
17	Sam Watson had, which said June 25, Felix, 1:30, and when
18	he found that, which he did not find at the time of our
19	December 15 chronology, but he did find it pursuant to
20	the more exhaustive document search which we made in
21	early April.
22	Q Let me mark as the next exhibit, Gregg Exhibit
23	5, a one-page document of handwritten notes which bears
24	our Bates number N-8848, and it appears to be a note from

the Vice President to Ollie North, dated November 27,

1	1985.
2	(The document referred to was
3	marked Gregg Exhibit Number 5
4	for identification.)
5	Is that how it looks to you, Don?
6	A Yes.
7	Q Now I showed this to you at our last session
8	together. Apart from my showing it to you have you ever
9	seen this document before?
LO	A No.
Ll	Q So the only time you saw it was when I handed
L2	it to you at our interview?
L3	A That's right.
4	Q So you know nothing more about it than I do,
15	except that you can tell me that looks like George Bush's
16	signature?
L7	A That's right.
18	Q Have you discussed this at all with the Vice
L9	President?
20	A This note to Ollie?
21	Q Yes.
22	A No.
23	Q What would be your understanding, recognizing
24	that you hadn't participated in writing the note, of what

the Vice President was referring to when he complimented

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1	Ollie for his work with Central America?
2	A The thing that would come to my mind is,
3.	because it was the only thing I shared with him, was the
4	trip to El Salvador.
5	Q Ib. 183?
6	A In '83.
7	Q But that's based on
8	A That's based on what I know and, you know, I
9	think it is significant to me that the term is Central
10	America. The term is not "contras". The term is not
11	"Nicaragua".
12	Q The term is not "El Salvador".
13	A That's right.
14	Q Don, there has been testimony at the hearing
15	recently that the Vice President placed a telephone call
16	to Oliver North on or about the day that he resigned.
17	Have you heard that testimony?
18	A Yes.
19	Q Do you know anything about that phone call?
20	A I didn't know that it had been made. I
21	remember that day the Vice President saying to me I

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wonder if I should call Ollie, because I knew we all had a lot of affection for him in terms of how hard he worked

and how tireless he was, and we knew it was going to be a

very difficult time.

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1	it would mean a lot to him if you did.
2	And he, I subsequently learned, did call him.
3	Q When did you learn that he had made the call?
4	A I think the Vice President told me a day or so
5	later, yeah, I did call Ollie.
6	Q What did he tell you about the discussion?
7	A Just that he called. He just said I called
8	Ollie very briefly.
9	Q Did the Vice President have any contact with
10	Ollie that you were familiar with after the trip to
.1	Central America in December of '83?
L 2	A That's hard to answer with precision because
L3	there was some contact. Ollie's office, for example, was
L 4	very much involved in terrorist matters. The Vice
15	President was very much interested in the hostage
16	sitantion. So yes, they would meet on those subjects,
L 7	but never to my knowledge did they meet to discuss contra
L8	supply.
L9	Q On the Iran issue, just so we have it for the
20	record, you were in Israel with the Vice President and
21	Fuller?
22	A That's correct.
23	Q At the time that Fuller and the Vice President
2 4	were briefed by Mr. Nir on the Iran compartment, is that
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1	A That's correct.
2	Q But you were not at that briefing?
3	A I was not at that briefing nor did I know of
4	that briefing until several months later when I read
5	Craig Fuller memorand which had gone to the Counsel to
6	the Vice President.
7	Q I see. Neither the Vice President nor Craig
8	Fuller notified you of what went on at that meeting or
9	even that the meeting had taken place?
10	A That's correct.
11	Q And you did not see the memo either?
12	A That's correct.
13	Q Let's mark as the next exhibit, that is, Gregg
14	Exhibit 6, this document, which appears to be a PROF note
15	dated August 29, 1986, and we discussed this last time,
16	Don, but I would like for the record to have your answer.
17	(The document referred to was
18	marked Gregg Exhibit Number 6
19	for identification.)
20	First, it is from Fawn Hall to North relaying
21	a message from Karna Small. You knew Karna Small at the
22	NSC staff?
23	A Yes.
24	Q She was involved in press relations?
25	A Yes.

NELASSIFIED And you've seen the first paragraph 1 2 3 5 6 7 I read that correctly, right? 8 9 A Yes. 10 Do you know anything about this? Q 11 Absolutely nothing. In fact, did you mention it to me when I was down here before? 12 13 Yes. 14 I know absolutely nothing about it. Zero. 15 Don, before I check with my colleagues to see 16 if they have anything for me and turn it over to the 17 House, let me just ask you is there anything more about 18 your relations with Felix Rodriguez relating to Central America that we ought to hear about aside from what I've 19 asked, in your judgment? 20 No. I think we've covered certainly the 21 elements of it that are germane to your inquiry. 22 When did you first tell the Vice President 23 what Felix told you in December of 1986? 24 25 That he had been recruited by Ollie?

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I'm assuming -- maybe I'm making a

2	misassumpt	ion, but I'm assuming that you did report that
3	to the Vic	e President.
4	A	Yes, but I can't remember. I probably did it
5	quite soon	afterwards because it had made enough of an
6	impression	on me for me to write a note about it, but I
7	don't remen	mber the occasion.
8	Q	Do you remember what the Vice President said?
9	A	I do not remember that it evoked a large
LO	reaction.	
11	Q	Now I notice that the first, the press
12	statement,	the chronology, December 15, that's the same
L 3	day you to	ld me that you spoke with the agents from the
L4	Bureau.	
15	A	That's right.
16	Q	Were the two timed to coincide?
17	A	No.
18	Q	Just a coincidence?
19	A	Yes. I think one other thing I should say is
20	that I mad	e my own life more difficult during one of the
21	stakeouts	in front of my house, particularly on a day
2 2	when I jus	t couldn't get in my car and drive, where there
23	was ice on	my windshield and I had to scrape ice off the
24	windshield	, so they had a chance to ask several questions
25	of me.	UNCLASSIFIED

1	And the thrust of all of the questions was
2 .	always that I had sent Felix to Central America, that I
3	was somehow aiding and abetting his efforts with the
4	contras, so they asked me did you ever talk to Felix
5	about the contras or something of that sort. And I said
6	no, I did not talk to Felix about the contras. That was
7	not a good answer because it might have been technically
8	correct in the sense of the thrust of their questions,
9	but in one case Felix had come to me on the 8th of
10	August.
11	I realized in thinking about what I said that
12	that probably was going to be troublesome and that was
13	one of the things that caused me to go on record with the
14	New York Times interview, I think December 13, and then
15	to put out the chronology to clear the record.
16	Q And in fact you also cleared the record, if
17	I'm right, with a letter to the editor which we'll mark
18	as Gregg 7.
19	(The document referred to was
20	marked Gregg Exhibit Number 7
21	for identification.)
22	A That's right.
23	Q Which you wrote March 29 of this year?
24	A That's right.
25	Q And what I've handed you that we've just
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-	marked as Exhibit /, that is a copy of your recter.
2	A That is correct.
3	MR. BELNICK: Rich, do you have any questions?
4	MR. RAUL: Could we take a break?
5	(A brief recess was taken.)
6	EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE
7	BY MR. LEON:
8	Q Mr. Gregg, just let me ask you a few
9	questions.
10	A Please.
11	Q It will probably be easiest to go just in
12	chronological order. In regard to the meeting that you
13	had with Felix on August 8, had Felix informed you prior
14	to that meeting by phone or in writing or anything that
15	he had met with Ollie North and a fellow named Robert
16	Dutton?
17	A No.
18	Q June 25, approximately?
19	A No, he did not inform me of that.
20	Q Did you have any knowledge from any source
21	prior to that August 8 meeting that Felix was having
22	problems with Colonel North in any way, shape or form?
23	A Yes. I have because Ollie occasionally would
24	call me and would say Felix is keeping too high a
25	profile, Felix is violating radio security. I said what

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do	you	mean	рy	that?	He'd	say	well,	he	e's	talki	ıg	on	open
lir	nes a	about	cla	ssifie	d mate	erial	and	he	may	blow	so	me	of
his	ope	eratio	ons,	says	ollie								

- And you interpreted that to mean his El Salvador-related counterinsurgency?
- I would say okay, well, next time Felix calls I'll raise your concern. So I did this on one occasion and said Ollie tells me that you are kind of a high profile guy and that you may have caused some security problems with your operations by talking over open lines. And Felix's reaction was very negative and very hostile. I didn't understand it at the time, but I do now.

I mean, he was rather profane and said Ollie doesn't know what he's talking about. Now what I now know is that Ollie was trying to get me to get Felix to back off from some criticisms of Ollie's operation but was couching it in terms of Felix taking actions which might jeopardize the El Salvador operations, which was the only thing I knew about. Felix knew what was going on, and that's why his reaction was as it was. I did not at that time.

Okay. And when you had your meeting on August 8 you said before it's possible Robert Earl was there, although you are a little fuzzy as to whether or not he was present at that meeting.

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A Yes.

Q But clearly North wasn't there and wasn't there on the 12th either.

A That's right. I felt that was a little strange because I can't remember whether it was either on both occasions. I knew Ollie was around on one of those occasions and I thought it was a little strange that he didn't come.

Q Can you recall making any effort after that
August I2 meeting to try to get in touch with North so
you could sit down and talk to him personally about what
was going on down there?

A I would have had a two-day window to do that before I went on leave and then went into the hospital, and I did not do that in that two-day window. When I next saw Ollie it was sometime in September and I didn't do it at that time because Felix had called me at some time in-between. I had said how are thing going in El Salvador. He said okay. Your meeting was very helpful. So I felt that the second of his concerns, i.e., that the people might take the money and run, had been taken care of.

Q Okay. At that meeting on the 12th, like you said before, your concern was corruption, not so much illegality.

1	A I didn't have any sense of illegality. I had
2	the sense of possible corruption because I accepted
3	Felix's judgment of these people.
4	Q With regard to your corruption concern, did
5	you ask, can you recall if you asked any of the parties
6	present- or people from the State Department -
7	- to investigate it, the corruption angle?
8	A That was implicit in what I said to all of
9	them, that here is something which you should look at. I
.0	did not make any judgments about it except to say I trust
.1	Felix. I know Clines from the old days. He's not a
.2	confidence-inspiring figure. You ought to look at this.
.3	Q Did you expect them to report back?
.4	A No.
.5	Q Did you ask Sam Watson to follow up with them
.6	to find out if there was any evidence of corruption
L 7	unearthed by any of them?
L8	A No. I felt that that would happen as a
L 9	natural course, that we would hear from Felix as to what
20	had happened, and I really wasn't in a position to set
21	myself up in judgment. I mean, here were some very
22	strong opinions by Felix, but that was all I had to go
23	on.
24	Q Now at the time of that August 12 meeting did
25	you consider the possibility of talking to the counsel to

1	the Vice President about that matter?
2	A No.
3	Q Did you consider inviting counsel to the NSC
4	to attend that meeting because of the corruption angle
5	you were concerned about?
6	A No, I did not?
7	Q Mr. Thompson?
8	A No. Paul Thompson?
9	Q You know him?
10	A I do.
11	Q Have there been times on other occasions when
12	you've brought matters up to either the Counsel to the
13	Vice President or Mr. Thompson?
1.4	A No. I think one thing I should say is that,
15	remember, I work for the Vice President. I'm the first
16	Vice President's National Security Advisor to ever have
17	been given the access that I have been given to the NSC,
18	and that certainly for me to have gone to the National
19	Security Council staff, which works for the President, as
20	a representative of the Vice President I would have to
21	have had a good deal more in my own mind than I had in
22	terms of evidence of illegality or malfeasance.
23	But I was concerned enough to invite Ray
24	Burkhardt, as well as Bob Earl, so that there were two
25	people from the NSC who would hear about this.
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-	white dieta they meeting took place on the 12th
2	did you have any discussion with Burkhardt about the
3	revelations of that meeting just between you and
4	Burkhardt?
5	A No. I didn't see Burkhardt again until
6	September and, you know, just the agenda had changed at
7	that point.
8	Q When was the next time you saw Ollie after
9	that August 12 meeting?
10	A I don't remember seeing him until after I got
11	out of the hospital and was back at work in early
12	September. The only time I might have seen him would
13	have been on August 13 or 14, because I went on leave, as
14	I recall, either the 14th or the 15th, and I don't recall
15	seeing him either of those days.
16	Q Can you recall considering discussing it with
17	him at a later time once you did see him again?
18	A I think my mind was relieved on that point by
19	Felix's saying to me over the phone, not going into any
20	detail, but your talk has helped. The problem has been
21	taken care of. Or something to that effect.
22	Q When do you recall that conversation?
23	A It was sometime. I think he called me when I
24	was at home recovering from surgery, which I had on the
25	21st of August.
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1	Q So within a matter of weeks?
2	A Yes.
3	Q And he didn't elaborate?
4	A No, certainly nothing one could go into over
5	the telephone.
6	Q Now with respect to the phone call that you
7	had with Felix that you've given us the exhibit on today
8	just if you could go through that briefly
9	chronologically. Did that phone call take place after
10	you did your chronology?
11	A I think it did. I can't swear to it, but I
12	think it was shortly thereafter.
13	Q And it was Felix calling you, wasn't it?
14	A Yes.
15	Q And was it after you had been contacted by the
16	FBI?
17	A Yes, because I think, haven't I said it was
18	the same day as the chronology, the 15th, so if it was
19	after the chronology, it was also after the FBI.
20	Q And as far as you knew correct me if I'm
21	wrong as far as you understood when you met with the
22	FBI they were going to be getting in touch with Felix
23	because you gave them his number?
24	A That's right, and I called Felix to tell him
25	that they were going to come see him. That would have

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been the same day, the 15th, and I'm sure I would have

called him. I remember calling him to say Felix, I've talked to some people from the FBI. They want to come to you. And he said fine. But it wasn't on that occasion that he told vou --I don't think it was. I think it was after he had talked to them. My sense is whenever that phone call was made that first time the full impact of what was going on had hit Felix in terms of the influence it might have on the Vice President, for whom he has tremendous admiration, and it suddenly hit him that suddenly there was something evolving that might have a very negative impact on the Vice President or on his image and he was very upset about it. Now the purpose of that phone call to him that you made on the 15th or shortly thereafter, that phone call was simply just a warning to him? Not a warning, because I knew, as I've said

before, he was in very close touch with the FBI and I said some people came in to see me. They are interested in the August 8 meeting. I said I did not give any of the names that you gave to me, but they are going to want to know about those names, and I have given them your telephone number and they are going to call you soon. He said fine, no problem. I want to cooperate fully.

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1	Q And you didn't go into any greater detail than
2	that?
3	A No.
4	Q And you weren't attempting to influence his
5	testimony?
6	A Absolutely not.
7	Q In any way, shape or form?
8	A Absolutely not.
9	Q Did you discuss with him anything about
10	documents or collecting documents or having documents
11	available?
12	A No.
13	Q. When he told you about the letter on the phone
14	call that you noted and we have the exhibit on today, did
15	he tell you that he still had a copy of that letter?
16	A He didn't tell me that.
17	Q Did you ask him?
18	A I did not.
19	Q And do you know to this day whether he has a
20	copy of that letter?
21	A I have heard that he had a copy and that he
22	had turned it in to this investigation.
23	MR. LEON: I don't have any further questions.
24	BY MR. BELNICK: (Resuming)
25	Q Just a couple of quick questions on the UNITASSIFIED

1	chronology, the original one, Gregg Exhibit 1, November
2	7, 1986 entry states that Felix met with you and Colonel
3	Watson, described his role in El Salvador, and then it
4	says "Mr. Rodriguez also indicated that he himself had
5	been able to assist the contra resupply effort."
6	What do you recall he told you in that regard
7	on November 7, 1986, about his, Felix's, role in contra
8	resupply?
9	A I think he discussed the fact with us that he
10	had been able to help the resupply
11	
12	that he had been sort of a facilitator.
13	Q And he had facilitated the resupply of
14	weapons?
15	A No, he didn't get into that.
16	Q He just said resupply?
17	A He had helped open or this group
18	You know, this is the first contact I had
19	had with Felix since the summer.
20	Q He has missed you in October, I take it, when
21	he tried to get in touch about the Hasenfus shootdown?
22	A That's right.
23	Q So there was the occasion on August 8 when
24	Felix talks about contra resupply.
25	A Yes. IINGLACCIFIED

_	a litera a che occasion we ve just rocked at on
2	November 7.
3	A Yes.
4	Q There's your phone call to him, which you
5	discussed with Rich Leon, when you told him the FBI is
6	coming down.
7	A Yes.
8	Q And on none of those three occasions does
9	Felix tell you about North's instructions to him and
10	North's using him as a recruit?
11	A That's right, not until mid-December.
12	Q And that December phone call, as you remember
13	it, was a very emotional phone call.
14	A Yes.
15	Q Felix was emotional?
16	A Yes.
17	Q Have you testified to the grand jury in this
18	matter?
19	A No.
20	MR. BELNICK: I have no further questions.
21	MR. LEON: One last thing.
22	BY MR. LEON: (Resuming)
23	Q You've dealt with Colonel North on a regular
24	basis over the last few years, have you not?
25	A Yes. IING ACCIFIED

1	Q In your dealings with him, have you found him
2	to be a person who tends to be dramatic?
3	A Yes.
4	Q Is he prone to exaggeration?
5	A I would say under pressure I have seen that on
6	one or two occasions.
7	Q Hyperbole?
8	A Perhaps, yes.
9	Q How about imbalance or instability?
10	A No, no terrible fatigue. I mean, I
11	remember one Christmas, a Christmas Eve, he going out
12	about 5:30 in the afternoon to start his Christmas
13	shopping, that kind of thing.
14	BY MR. BELNICK: (Resuming)
15	Q Don, there is one other thing. You are aware
16	that Mr. Rodriguez testified to us?
17	A I am.
18	Q Have you discussed his testimony with him?
19	A Only after it was completed. I had made a
20	particular effort to stay away from Felix and so the day
21	I think he completed his testimony I went and had a drink
22	with him at a mutual friend's house, was there for maybe
23	45 minutes.
24	Q Did he describe his testimony?
25	A Not in detail. But he felt that it had gone

1	well. He felt, as he has always felt, that he has a very
2	straight story to tell and felt good about it.
3	Q Aside from his feelings, did he tell you the
4	kinds of questions he was asked?
5 ,	A No.
6	Q Did he tell you any of the answers he gave?
7	A No.
8	Q Nothing like that?
9	A No.
10	MR. BELNICK: Okay. I want to thank you again
11	for all the time you've given us on behalf of both the
12	House and the Senate Committees. We appreciate it.
13	Thank you for being here.
14	(Whereupon, at 4:07 p.m., the taking of the
15	instant deposition ceased.)
16	
17	Signature of the Witness
18	Subscribed and sworn to before me this day of
19	
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21	Notary Public
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ISS RELEASE

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FOR IMMEDIATE RELEASE Monday, December 15, 1986 CONTACT: 202/456-6772

STATEMENT BY THE PRESS SECRETARY

The Vice President has reviewed the attached chronology of meetings with Felix Rodriguez, prepared by his National Security Advisor Donald Greeg. The meetings and telephone calls show that Donald Greeg and his staff maintained periodic communication with Felix Rodriguez, but were never involved in directing, coordinating, or approving military aid to the contras in Bicaragua. Nor was there any awareness of the diversion of funds to the contras. Felix Rodriguez indicated on August 8, 1986, in a meeting with Don Greeg that he had knowledge of the contra aid network which he wanted to discuss with U.S. officials. Mr. Greeg passed Mr. Rodriguez's concerns along to the appropriate officials on August 12, 1986. The Vice President was not informed of these meetings.

The communications with Felix Rodriguer concerning his work as a counterinsurgency expert in El Salvador were entirely appropriate. On the three occasions when the Vice President met with Mr. Rodrigues, the discussions dealt entirely with the insurgency-in El Salvador and there was no discussion, direct or indirect, of the contra aid network.

Donald Gregg has been invited to meet with staff from the House Intelligence Committee, which he anticipates scheduling this week. The Vice President has full confidence in his National Security Advisor. This chronology will be made available to the independent counsel and appropriate Congressional committees. Our purpose from the beginning has been to end speculation about the relationship between Felix Rodriguez and the Office of the Vice President. Our intent continues to be full disclosure and cooperation with the Congress to make all of the facts known.

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N 18754

SUMMARY OF CONTACTS WITH FELIX RODRIGUEZ

Donald Gregg, Assistant to the Vice President for National Security Affairs, first met Felix Rodriguez in Vietnam in 1970. Morking together with other CIA officials, they developed an effective operational concept for use against guerrilla units operating in the provinces near Saigon.

Mr. Rodriguez, a Cuban born intelligence officer of great courage and experience, was instrumental in implementing this concept. It involved the use of small helicopters to launch pinpoint operations against small guerrilla units. The concept was extremely successful. Mr. Gregg and Mr. Rodriguez maintained sporadic contact during the intervening years.

Mr. Rodriguez had retired from CIA on a disability, having injured his back in a helicopter crash in Vietnam. Mr. Rodriguez became interested in the insurgency in EI Salvador and traveled frequently to the area in 1983 and 1984. Mr. Rodriguez is extremely knowledgeable of low intensity warfare operations and it was for these reasons that Mr. Gregg aided Mr. Rodriguez when he expressed a desire to go to EI Salvador to help the counterinsurgency effort in that country.

On November 3, 1983, Mr. Rodriguez met with Mr. Gregg to discuss the general situation in Central America. Mr. Rodriguez had just returned from a trip to the area.

On December 21, 1984, Mr. Rodriguez expressed an interest in going to El Salvador and working with the El Salvador Air Force to help them in their counterinsurgency effort which Mr. Rodriguez felt was very similar to that which he had assisted in Vietnam. Subsequent to this meeting, Mr. Gregg called Ambassador Pickering, Assistant Secretary of State Motley, and Deputy Assistant Secretary of Defense Sanchez to recommend that they meet and talk with Mr. Rodriguez to assist him in going to El Salvador. Mr. Rodriguez met with these officials and also subsequently met with General Paul Gorman, Commander of the Southern Command.

On January 22, 1985, Mr. Rodriguez met with the Vice President and Mr. Gregg to inform the Vice President that Mr. Rodriguez wanted to work in El Salvador against the insurgency.

On February 19, 1985, Mr. Rodriguez met with Mr. Gregg to report growing support for his work in El Salvador. In March, having been accepted by the El Salvador Air Force, Mr. Rodriguez moved to El Salvador.

On June 5, 1985, Mr. Gregg met with Mr. Rodriguez and Colonel Steele to discuss the situation in El Salvador.

On December 20, 1985, Mr. Rodriguez joined in a Christmas party with members of Mr. Gregg's office, where he met all members of Mr. Gregg's staff.

N 18755

During the period January 19-21, 1986, Colonel Samuel Watson, Mrs. Gragg's Deputy, net with Mr. Rodriguez, Colonel Steele and others in El Salvador to discuss counterinsurgency operations. This was part of an orientation trip to the area for Colonel Watson.

On April 30, 1986, Colonel Watson and Mr. Rodriguez met to discuss progress of the insurgency and the need for helicopter parts.

On May 1, 1986, Mr. Rodrigues are with the Vice President for approximately ten minutes. Mr. Gregg and Releasel watson attended. Mr. Rodriguez showed pictures taken during the counterinsurgency operations in El Salvador. Former Senator Nicholas Brady also sat in on the meeting. At the end of the brief session Ambassador Ed Corr, accompanied by Lieutenant Colonel Oliver North, joined the group in the Vice President's office. At that time, Ambassador Corr strongly preised Mr. Rodriguez' performance in El Salvador.

On May 20, 1986, the Vice President spoke briefly with Mr. Rodriguez and El Salvador Air Force Commander Bustillo at a large reception in Miami, Florida on Cuban Independence Day.

On August 8, 1986, Mr. Rodriguez met with Mr. Gregg and Colonel Watson to express his concerns that the informal Contra supply organization which then existed might not survive until a United States Government organization directed by CIA to implement delivery of funds and equipment recently authorized by Congress could be established. This was the Eirst time that such a subject had been discussed by Mr. Rodriguez in any of his meetings with the Vice President's office. Mr. Rodriguez was also concerned about the poor quality of the aircraft being used in the Contra supply operation.

On August 12, 1986, Mr. Gregg and Colonel Watson met with Ambassador Edwin Corr, Deputy Assistant Secretary of State William Walker, Ray Eurghardt and Bob Earl of the NSC, and a CIA officer, to pass along the concerns mentioned by Mr. Rodriguez. This meeting was convened since the Vice President's office had no jurisdiction or responsibility with regard to Contra supply operations. It was believed, however, that Mr. Rodriguez' observations were sufficiently important to pass along. In talking to the New York Times and the Washington Post, Mr. Gregg incorrectly placed Mr. Rodriguez in the August 12 meeting. This was not the case as Mr. Rodriguez had already departed from Washington.

N 18756

On October 5 and 6, 1986, Mr. Rodrigues called Colonel Watson twice to say that he had received information that one of the Contra resupply aircraft was missing, possibly in Nicaragua. Following established practice, Colonel Watson advised the Situation Room and the NSC staff of this information. It was subsequently learned that the aircraft had crashed in Nicaragua.

On November 6, 1986, Mr. Rodriguez delivered a speech at the National War College on low intensity conflict in Bl Salvador.

On November 6, 1986, Colonel Watson and Mr. Rodriguez had dinner in McLean, Virginia.

On November 7, 1986, Mr. Rodriguez met with Mr. Gregg and Colonel Watson in Gregg's office. Mr. Rodriguez described his role in El Salvador as having been primarily directed toward the insurgency in that country. Mr. Rodriguez also indicated that he, himself, had been able to assist the Contra resupply effort.

On November 11-12, 1986, Mr. Rodriguez was again in Washington, this time accompanying General Bustillo. They had dinner on November 11 with Colonel Watson and on November 12 met with Mr. Gregg. At that time, General Bustillo made it clear that he would welcome Mr. Rodriguez' return to Bl Selvador to continue his assistance in the counterinsurgency operation.

Additional Comments:

On the three occasions when the Vice President met with Mr. Rodriguez, discussions dealt entirely with the insurgency in El Salvador. There was no mention of supply or support operations for the Contras whatsoever.

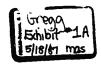
At me point in his discussions with anyone in the Vice President's office did Mr. Rodriguez mention diversion of funds to the Contra operation from Iran. There is no indication that Mr. Rodriguez knew of such a diversion, and he has stated categorically to Mr. Gregg that he was unaware of the diversion.

During the period covered by this chronology, Mr. Rodriguez called Mr. Gregg and Colonel Watson from El Salvador and from his home in Miami, Florida. These calls concerned his counterinsurgency activities in El Salvador, and until the calls of October 5 and 6, contained no references to Contra operations.

PRESS RELEA . .

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THE VICE PRESIDENT OFFICE OF THE PRESS SECRETARY



FOR IMMEDIATE RELEASE May 14, 1987 CONTACT (202)-456-6772

STATEMENT BY THE PRESS SECRETARY

The Office of the Counsel to the Vice President has provided the following information concerning the document search requested on behalf of the Independent Counsel and the Congressional Committees.

The Office of the Vice President has completed a comprehensive review of its files and records and has transmitted or made available all documents related to the Iran-Contra investigations to the Independent Counsel and the Congressional Committees investigating the Iran-Contra matter. In the course of the search, the Office verified the meetings and contacts with Felix Rodriguez made public as a chronology on December 15, 1986. In particular, the review confirms that the Vice President's contacts with Felix Rodriguez dealt "entirely with the insurgency in El Salvador and there was no discussion, direct or indirect, on the Contra aid network."

The review also confirmed all meetings and telephone calls listed in the chronology between Rodriguez and Donald Gregg and his staff, confirmed that those contacts never involved "directing, coordinating or approving military aid to the Contras in Nicaragua" and confirmed that there was no "awareness of the diversion of funds to the Contras."

The review indentified an additional meeting between Samuel J. Watson and Rodriguez on June 25, 1986 that was not indicated in the original chronology. This meeting was not scheduled ahead of time and did not appear on Colonel Watson's schedule which had been consulted in preparing the original chronology. It was discovered when Watson's personal notes were reviewed. The meeting was short and involved the counter insurgency operations in El Salvador and needed helicopter parts to support it. The Vice President was neither in the meeting nor aware it had taken place. Donald Gregg was overseas at the time and not aware of the meeting. Finally, the review also confirmed that the first discussion of the private resupply network was in connection with the August 8, 1986 meeting described in some detail in the chronology.

The Office of the Vice President will continue to cooperate fully in the pursuit of the facts.

1/8. forced on 8-21-87 unfor predictions of E.O. 12008 By B. Bagur, Hallwood Security Council



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This is a note taken during mid-December, 1986 telephone conversation with Felix Rodriguez, in which he told me for the first time that he had been more or less formally recruited by Ollie North to help with the Contra effort. Rodriguez also stated that North had asked him to keep secret his relationship with the Contra effort and, in particular, not to tell me about it.

The note reads:

"September, 1965 letter from Ollie was 1st tie to Convra support effort."

I found this in a collection of personal notes at

home.

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Reclassified/Released on 8-21-87

under provisions of E.O. 12356 by P. Roger, National Security Council



OFFICE OF THE VICE PRESIDENT WASHINGTON



May 14, 1987

TO WHOM IT MAY CONCERN:

The schedule proposal of April 16, 1986 and the briefing memorandum of April 30, 1986, both relate to a 15-minute meeting held on May 1, 1986 with the Vice President. Four points should be made about these documents:

- I, had nothing to do with their preparation and did not see them until a document search was initiated in December, 1986.
- I cannot account for the fact that the purpose of this meeting, according to these documents, was to discuss resupply of the Contras in addition to the war in El Salvador.
- The subject of resupply of the Contras was not, repeat not, mentioned at all by anyone in the meeting with the Vice President on May 1, nor had there been any intention to discuss that subject.
- 4. Since I realized these documents were anomalous, I highlighted their existence in an interview with the staff of the House Permanent Select Committee on Intelligence held on December 17, 1986. Mike O'Neill was one of the staffers present.

Donald P. Gregg

Assistant to the Vice President
for National Security Affairs

Bediaseliled/Released on 8-27-87
under providions of E.O. 12356
by P. Reger, National Security Council

WASHINGTON

April 30, 1986

BRIEFING MEMORANDUM FOR THE VICE PRESIDENT

Event:

Meeting with Felix Rodriguez Thursday, May 1, 1986 11:30-11:45 a.m. - West Wing

Date:

Time:

From:

Don Gregg

PURPOSE I.

404A

Feliz Rodriguez, a counterinsurgency expert who is visiting from El Salvador, will provide a briefing on the status of the war in El Salvador and resupply of the Contras.

III. PARTICIPANTS

The Vice President Craig Fuller Don Gregg

Felix Rodriguez

Sam Watson IV. MEDIA COVERAGE

Staff photographer

UNCLASSIFIED 4/28/86

"OFFICE OF THE VICE PRESIDENT WASHINGTON, D.C.

MEMORANDUM

MEMURANDUM	Don Gregg
TO:	DEBBIE HUTTON / BJ
PROM:	DEBBIE HUTTON /
SUBJECT: EVENT:	APPROVED VICE PRESIDENTIAL ACTIVITY
PAPUI	Meeting with Felix Rodriguez
DATE:	Thursday, May 1, 1986
TIME:	11:30 a.m11:45 a.m.
LOCATION:	ww .
ATTENDANCE:	3
REMARKS REQUIRED:	None required
PRESS COVERAGE:	Staff Photographer only
MRS. BUSH PARTICIATION:	No
DRESS: GENTLEME	N:LADIES:
COMMENTS:	
CONTACT(s): (1) Don Gre	
	Name Area Code Number
	UNCLASSIFIED Number
F. KHEDOURE 8. E D. GRESS 7. C B. GRAY D. I J. M. ENTES C.	FITZWATER P.PRF T. McBRIDE P.ROSE M. Mc R R. BARNETT COLLAMORE G.EN: LD M.LEWIS RYDER B. MOO. E. CONAWAT JUDGE D. GUGLIELMINO P. BRADY VALUEZ USSE (E copús) D. QUICHO

MEMORANDUM

UNCLASSIFIED

OFFICE OF THE VICE PRESIDENT WASHINGTON

April 16, 1986

SCHEDULE PROPOSAL

:01

DEBBIE HUTTON

FROM:

DON GREGGIN

REQUEST:

VP Meeting with Felix Rodriguez, a counterinsurgency expert visiting

from El Salvador.

PURPOSE:

To brief the Vice President on the status of the war in El Salavador and resupply of the Contras.

BACKGROUND:

The Vice President has met previously with Mr. Rodriguez during his visits to Washington and will be interested in the current information he will be able

to provide.

DATE:

28 - MAY 2
Anytime on April 22 or 23.

DURATION:

15 minutes

LOCATION:

OEOB

PARTICIPANTS:

The Vice President

Felix Rodriguez

Craig Fuller Don Gregg

REMARKS REQUIRED:

None required.

MEDIA COVERAGE:

Staff photographer

CONTACT:

Don Gregg, 4213

RECOMMENDED BY:

Don Gregg

5/1 on 5/2 per Juane - 1-11:30-0000



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8-21-87

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en for provisions of E.O. 12336
by P. Roger, National Security Council

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Exhibit \$5

H-34

Insent --CPUA Date and time From: NSFH To: NSOLN 08/29/86 11:01:35 --CPUA NOTE FROM: FAWN HALL SUBJECT: Call fm Karna Small (8/29 094C .) a called with the following two "st ories" on OLN: Please call her to let her know how they should respond other than no comment. NSCPC --CPUA cc: NSRLE 3811 Council Becurity Council

BURDAY, WARRING 29; 1967 TO THE EDITOR

Donald P. Gregg on the Contras

I have noted with regret recent articies and television reports elleging that I played a role in directing or supporting contra operations in Monaragua through my longtime friend, Paics Roterior and the state of the contraction of the contraction of

In the hope of correcting terrecord, I would like to refer readers
of this newspaper to the detailed chronology insued by the Office of the
Vice President on Dec. 15, 1986, and
published by The Post on Dec. 16,
1986. It lays out notatal my contacts
with Mr. Rodriguez. This chronology,
issued more than three months ago, is
now regarded as "old news". Nevertheless, it has stood up to all subsequent scrutiny and remains a complete and accurate description of my
role, it is a vasilable to anyone for the

Let me clearly state what the Caremology concludes: members of my
staff and I maintained periodic contact
with Felix Rodrigues, but we were
moves involved in directing, conceinsting or approving military aid to the
contras in Nicaragus. Nor did I or
members of my office know of the
members of my office know of the

The media have made much of the fact that, during one of the numerous early-hour television "staleousts" of my home, I served "m" when my home, I had ever discussed

pairs operations with Mr. Rostipass. I amevered in huste. I did not
scall that four months earlier, on
land. 8, 1986, Mr. Rodrigues had
shared his percental concern with me
regarding the informat contra supply
organization- he had observed in El
Salvador. Since the visit jenealest: e
filice had so beriediction or responsibility with regard to contra supply
operations, I promptly passed the information on to the relevant agencies—the Department of State, the
Rational Sacarity Council and the
Central intelligence Agency.

A few days after the stakeout, as a shronology of any contacts with Mr. Rodrigues was being, assimilated, I was runninged of the Aug. 2 convertantion. To correct the record, I granted on instrution to The New York. Times on Dec. 13, 1986, and on Dec. 14, 1986, the chronology was insend.

My position on the vice president's staff does not involve me in directing set operations in Cestral or coordinating operations in Cestral America or anywhere else. Suggestions to the contrary, past, present and fature, cannot be supported by the facts.

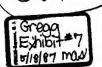
DONALD P. GREGG

Washington

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elected on 8-21-8)

under providens of E.O. 12356 by P. Reger, National Security Council



UNCLASSIFIED 1 2 RIGNAL 3 Deposition of: Richard D. Gregorie, 5 Chief Assistant United States Attorney 7 8 Friday, July 17, 1987 9 10 11 U.S. House of Representatives, Select Committee to Investigate Covert Arms Transactions with Iran, 12 Washington, D.C. 13 14 15 Appearances: W. Thomas McGough, Jr., 16 Associate Counsel, Senate Select Committee. 17 Robert W. Genzman, 18 Associate Minority Counsel. 19 Jack Perkins, Department of Justice, Legislative Affairs. 20 21 Declarative i lease on 29 Au 1987 22 "it.der pri sie i f E.O. 12356 Fg B. Riger, national Sacurity County 23 24 25

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	UITULNUUIIILU
1	MR. MCGOUGH: Mr. Gregorie, my name is
2	Tom McGough, Associate Counsel for the Senate
3	Select Committee, investigating the Iran-Contra
4 ·	matter.
5	Sitting next to me, on my left, Robert
6	Genzman, Associate Minority Counsel.
7	MR. PERKINS: Jack Perkins, Department
8	of Justice, Legislative Affairs.
9	BY MR. MCGOUGH:
10	Q_i . Would you-+ let's begin by saying, if
11	there are any questions you have, or questions.of
1 2	mine you don't understand, feel free to stop me
1 3	and clear it up.
1 4	At point Mr. Genzman may have to leave,
15	but we will plod on, and hopefully be done I would
16	think by this afternoon.
17	If you want break at any point, let me
18.	know, and certainly we can accommodate you.
19	Could you state your full name, please.
2 0	A. Richard Daniel Gregorie.
2 1	Last name, G-r-e-g-o-r-i-e.
2 2	Q. What is your title here?
23	A. Chief Assistant United States Attorney.

duties of the Chief .

24 25

. 1	١.	To	substitute	for	Mr.	Kellner	in	his
absend								

I also spend a great deal of time with the criminal assistants, reviewing indictments, advising them on investigations, taking responsibility for liason with the various investigative aspects of the district, and essentially attempting to assist the U.S. Autorney in all his functions during any particular day in this district.

Q. Could you give me a little bit of .
information about how the criminal division here
is organized?

A. Yes.

1 A

Of course, there's a United States Attorney, and the Chief Assistant below.

On the criminal side, we have the Chief of the criminal division, whose name is Mark Schnapp.

 $\label{eq:Below Mark, we have a number of } \mbox{divisions.}$

There are major crimes, which is our reactive unit, which is most of the cases that come in and go to trial, in the sense that if a case comes in last might be tank rephery; a boat

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We have a fraud division that handles all of the fraud cases in this district, anything from boiler rooms, that is large type organizations being used to sell land in the Everglades, to credit card fraud, bank fraud, immigration fraud-- generally, they are extremely numerous down here.

If you read Jonathan the Fountain Pen Conspiracy, a lot of the con artists in this world do focus their attention in the Southern District of Florida.

We also have major narcotics, which we divide from major crimes.

I would say 60 percent of our work involves narcotics of some kind, and we have a major narcotics unit which focuses on the major-jects, long term does the wire taps,

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grand jury investigations, and narcotics has its

own sub-division called Operation Greenback, which

handles the money laundering side of the narcotics

problem.

Narcotics upstairs is all just Assistant United States Attorneys.

Downstairs, on the third and fourth floor, we have Greenback, two squads of Customs agents, a squad of IRS agents, and DEA, who do nothing but work major money laundering cases with our Assistant U.S. Attorneys dealing with them, dealing with those money laundering cases.

- Q. Mr. Feldman, Jeff Feldman, in which of these units was he assigned, let's say as of November of '85, until the present?
- A. Jeff was in major crimes in November of '85.

Actually, I think he went to major crimes, sometime in the spring of '85.

When I came into this office, our first practice was to put you in appeals, to get you used to the office, the procedures, things of that sort, and Linda Hurt, who is one of the best appelate lawyers around, spends time training

folks and--

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Jeff had been a state prosecutor, done cases in the state court, so he went to major crimes to pick up cases and start trying them. He did that until February or March of '86, at which time time he was sent to the major narcotics unit. Who would have been the head of the major crimes unit at that time? Bill Turnoff, who is now a magistrate. Who would have been the head in Q. February of '86? I was Chief of narcotics in February of '86. I became Chief of the criminal division in March of '86, but I kept both posts, because they hadn't appointed anybody to replace me yet, so I was essentially doing two jobs for several months. What is your commercial phone number Q. and PTS number? 305-536-5403, is commercial, and FTS is 350-5403.

ANCEASSIFIED ... INC.

background since your graduation from law school?

When I was in narcotics, it was 5457.

Could you give me your professional

2	in 1971.
3	I went to work as a clerk to U.S.
4 .	Magistrate Pincipe in Boston, from August of '71
5	until April of '72.
6	In April of '72, I had passed both the
7	bar, District of Colombia and Massachusetts, and
8	was hired by the organized crime section of the
9	Justice Department to work in the organized crime
0	section.
1	I was in Washington from April of '72
2	until August of '72, when I was assigned to the
3	Newark, New Jersey Strike Force.
4	I was a Strike Force attorney in Newark
5	from '72 until August of '76, at which time I was
6	transferred to Boston.
7	I was Strike Force attorney in Hoston
8	from 1976 through 1979, in December, and they put
9	me in charge of the organized crime field office,
0	in New Haven, Connecticut, and I was in charge of
1	that field office from 1979 until 1982, when
2	Stanley Marcus became U.S. Attorney here, and he
3	asked me to come here to head the narcotics unit.
4	I arrived here in August of 1982, and
:5	since that time, I have been Chief of the

narcotics section, Chief of the criminal division, 2 and now Chief Assistant. How long have you known Leon Kellner? 3 Q. Since I arrived here in August of '82. 5 Leon was a good friend of Stanley Marcus, and was brought here by Stanley to run the 6 civil division, after having managed a major law 7 firm in New York. We've been discussing here today a case 9 10 which I understand goes by the name of Costa, and I-- I would like to ask you, what your first . 11 recollection or contact was of that case? 12 13 There was always a shortage of 14 attorneys, and we're always scrapping with one and 15 another, who can get an extra attorney in their 16 division. I had a big investigation coming up, no 17 18 assistant to do that with. 19 Jeff came on board in February, and I 20 assigned him a major investigation, and -- known as 21 Operation Birdman. This is Pebruary of--22 Q. 23 Q. Pebruary of '86. 24 I had no knowledge or anything to do

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with the case, until Jeff arrived in my section,

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in the narcotics section, in 1986.

Sometime in March of '86, and I am not sure of the exact date--

I haven't got it in front of me, so pretty much off the top of my head.

In March of '86, I believe it was, Jeff came to me and asked me how he could go about getting an official passport to travel overseas, knowing that I had had a number of trips during narcotics investigations, and he told me that he was going to have to go to Costa Rica, and we discussed for what purpose he was going to Costa Rica, and I learned about the case at that point.

Q. Would this-- can you put this in the context of the investigation, itself, starting in-- we understand that there was a meeting on March 16th where Mr. Feldman discussed the case, first with Ana Barnett, and then Mr. Kellner entered and apparently was looking into the same case.

There then was a trip to New Orleans to interview Mr. Terrell, on March 25th or so, and then Mr. Feldman's trip to Costa Rica, where he left on March 30th.

With those dates in mind, do you have

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any idea when he first came to you?

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A. It would be hard to tell.

3 4 · I remember being down here with Leon,

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or at least in the area of his office, and-- I
think it was Mark Richard who called and mentioned

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to Leon Kellner about a plot to assassinate

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Ambassador Tames, and blow up an embassy, and we had some information at that time.

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Somebody asked me if I knew anything

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about it, essentially, and since Tam had been

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ambassador in Colombia and I was kind of

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interested in that, and at that time, Jeff was sitting in the hall and talking with Ana Barnett

13

and an FBI agent.

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The stories sort of ran together. I

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remember the discussion about that.

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What exact date, I can't tell you.

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Q. That would have been before he came to you and--

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A. That was before Costa Rica.

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At that point, Costa Rica meant nothing

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to me, or would have had no-- later on, the next

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day, two days later, I was standing up in front of my office on the 10th floor, and Jeff came to me

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about getting its passport for Costa Rica, and we

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of the facts involved in the matter

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discussed some

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2 for which he was going down there. 3 .Did you have any formal contact with , the case aprior to Mr. Feldman's trip to Costa Rica? 5 6 λ. None. After Mr. Feldman returned from Costa 7 Q. 8 Rica, there was a meeting on April 4th, which we 9 -have received evidence that Mr. Kellner and Mr. Feldman, Mr. Scharf, Ms. Barnett, and you were 10 11 present. 12 λ. Yes. 13 Do you recall that meeting? 14 λ. Yes. 15 That was also the meeting which we Q. 16 received evidence, Mr. Leiwant, made at least an appearmace for a portion of it. 17 18 λ. Yes. 19 Do you recall being at the meeting when 20 Mr. Leiwant was at the meeting. 21 I know, but I didn't a few months ago. I have to tell you, when this first 22 appeared in the newpapers, that somebody in our 23 office was saying that there was some kind of 24 phone call, we all sat around and saying, "That's 25

impossible."

There was no phone call. I don't remember it. And asked the other people, Feldman, Ana Barnett, Larry Scharf, and so forth, and nobody else-- everybody said, "There was nobody else there. How could it happen."

Some months ago, he came to my office, David Leiwant. He said, "I have got to talk to you."

He said, "I have been getting calls from a congressional staffer. He wants to come' and talk to me, and I'm very concerned about it," and I said "Why," and he said, "Because I told him what I remembered about this incident and the phone call," and I was totally taken aback because I didn't even remember his being there, but once he told me that and I thought about it a little bit, I remembered he was there.

What happened was Jeff had come back from Costa Rica, and I came into the office, and we were sitting around there talking about it, and Jeff was very excited, but this case to me, grew out of the major crimes matter.

If you don't mind my going back-- Major crimes is our reactive section — had a gun

YES MINTER TO SHOW THE STATE OF

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case. It was a simple gun case.

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24 25 There are a number of wild seyed gun cases all over Miami. It is not unusual.

In this particular case, the defendnt was claiming he overheard a plot to assassinate the ambassador, and to carry guns down to South America, and that he had evidence about this, and the reason he was prosecuted was to get back at him for information that he had.

It seemed to be a wild eyed story.

We get loads of stories where they make a CIA defense, "The CIA made me do it." It's very-- not unusual.

This was the same sort of stituation.

It's one of the reasons he went down there.

When he comes back from Costa Rica, he had the conclusion, one, no assassination plot, and two, nobody saw the guns, if there were any, and there had been a newspaper article in which they said there were six tons of weapons--

Well, we were lucky if there were six guns on that plane, but Jeff was still caught up in a whole series of facts and names, and he just kept going on and on, and I don't know-- if you get him on a subject, he keeps going back to

1 2

jumping around. It's very hard to get Jeff to
focus.

We kept saying to him in the meeting,

things that you have no real understanding of, and

We kept saying to him in the meeting,
"Jeff, you are not focused. What violation are we
talking about? Who are are you going to
prosecute, and what for?"

What we had, an essentially, bright, capable prosecutor, but never involved in a really complex investigative case before, coming back and telling me as his supervisor, that he's got all these facts, but not knowing where he was going or what he was doing with them.

We said, "Jeff, slow down. You got your facts all jumbled up here. Take your time and go back and put it on paper. Let's see it in writing."

During the course of this conversation, I kept saying, "Wait a minute. Jeff, if you are going to do this kind of investigation, you have got to know what you're going to prosecute for. You can't say they are guilty of a crime if you don't have a crime. How are you going to prove that crime? Are you going to give somebody immunity if they cooperate? You have to know the

1 answers to the questions you're going to ask them, 2 or else they are going to commit perjury, and you 3 don't know the answer." He said, "How about the Boland 5 Amendment?" 6 I never heard of it before, and-- I 7 . explained Congress had passed the amendment that they couldn't support the Contras. A 9 I said, "Fine, if there are criminal 10 penalties, would we have venue in Florida, or 11 would it get sent back up to Washington?" 12 Ana said, "Gee, I don't know. Let me see if I can go and find the Boland Amendment." 13 14

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It wasn't anything in Leon's office, and she went back to the computer to try to get it out of the computer, and I wasn't there when she went to the library, but I know that David Leiwant is constantly working on the computer in there.

He came in with the computer sheet and the Boland Amendment.

- Having been reminded of this episode, you now recall Mr. Leiwant coming in with the Boland Amendment?
- Yes. I remember him standing there and discussing it, because

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- questions.

Nobody could tell us whether or not he had the criminal penalty, whether or not anybody, could be punished for violating it, and it could be contempt of Congress, which is the only conclusion I could reach, but then we wouldn't have any venue for that, it would have had to go to Washington, but Jeff insisted there had to be a crime somewhere, even though he had no idea what it is or how to approach it.

So David maybe was in there for a period of 20 minutes during this discussion, which was strictly academic, and we were all sitting around the table in Leon's office.

- Q. Do you recall how long the meeting, as a whole, took?
 - That's really hard to tell.

I have been in meetings in that office, that have gone a lot longer than they were.

I would have told you maybe we were in there for two hours, but I may be wrong.

I didn't look at my watch when we went in, and didn't look at it when we came out.

Q. Do you recall when you were there, whether you were there when the meeting bregan and

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A. I don't.

when it ended?

It's not unusual in this office. ,

Leon's office door is always open. If you have got
a problem, you walk in there and just take a seat.

Since Leon became U.S. Attorney here, in a lot of matters, especially those involving international matters, and cases involving narcotics deals or any major deals, he will have me down there.

Once he came to the criminal division,

I was almost—almost all of the time—Leon was a
civil lawyer to start with, so he will call Larry
Scharf or I any time there's a question about a
criminal matter.

- Q. You don't remember at the conclusion of the meeting, whether you were still present or you had to leave?
- A. I know that David Leiwant left long before I was there, but I know I was in there for a large part of the meeting, but I do think that Jeff Feldman and I left at the same time.

It is my impression that Jeff and I went back up to the 10th floor together.

Q. Let me ask you if some specific things

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came up at that meeting.

Do you recall any reference at that meeting, to the National Security Council or to . Oliver North?

A. The only time I ever remember hearing Oliver North's name was from Jeff Feldman, and he kept saying that somewhere in the bureaucracy, there's this fellow North who is behind all of this, but whether or not we had any proof to show his involvement in it, I don't remember.

I know now, with hindsight, having .

heard the news for the past six months, it would

be pretty hard to say you didn't know who Oliver

North was, but back when it started, Oliver

North's name meant nothing to me, and in thinking

about it, other than hearing Jeff mention the

name--

- Q. Do you recall any discussion at that April 4th meeting about the possible political implications or sensitivity, either as a local matter or-- whether the Cuban-American or Hispanic community here in Miami, with regard to the Contraissue?
 - A. No, I don't.

I think it's really a personal point of

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..view

As his supervisor, I was looking at this as a gun case, assassination plot— and he, Act comes back with this wild eyed Neutrality theory, about this mercenaries traveling down to Nicaragua, and to be honest with you, what was going through my head, we're dealing with a lot of hypothetical facts going nowhere, and I don't remember it being talked about as any sort of sensitive political matter of any sort.

- Q. Do you recall any-- during the course of that meeting, any telephone conversations Leon Kellner may have had?
- A. I have to admit we have discussed several times among ourselves, primarily, when the newspaper articles came out—we discussed it over and over again, who the heck else would have been there to hear a phone call, because we didn't recall anybody being there, and as it turned out, David was, but to my knowledge, there were no phone calls.

Phone calls come in on a regular basis, but if it was, it had nothing to do with our meeting, and if anybody had called and said not to do something in that investigation, I would have

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UNCLASSIFIED remembered it. 2 In my entire career in the Justice Department, last 15 years, nobody has told me not to investigate a case, and if somebody had told me that, I would know it. Do you recall being present when Mr. Kellner talked to anyone at Main Justice about 7 я this case? Mark Richard. He called several times, and, in fact, 10 he called to me several times, and said, "Would 11 you check with Leon to see what the progress of 12 the investigation is t, or, you know, "What it is 13 that is going on." 14 I do remember a couple of conversations 15 with Mark Richard about it. 16 17 Let's break it down into two categories. 18 First, do you remember Mr. Kellner 19 talking to him about it? 20 21 Were you present when those 22 conversations took place? 23 A couple of them. 24

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I don't know how many times he talked

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to them.

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Q. Can you recall what— from what you observed or what Mr. Kellner told you later, do A

A. Primarily, first it was the assassination plot.

Mark Richard handles all of the sensitive national matters, and we were extremely concerned, if there was somebody trying to blow up embassies or kill an ambassador, that was a very sensitive nature, and I was interested because he had been -- Tamms had been the ambassador in Colombia, and that was interesting to me, but once we dispelled that theory, they were not going to kill Tamms or blow up any embassies, I didn't pay as much attention to it, with the exception of the fact that Mark Richard called several times, and we had a case, and we asked him about the Neutrality Act, and he promised to send us briefs, and we did got a good deal of research from Mark Richard, or somebody associated with him, concerning the Neutrality Act.

Q. To your knowledge, did Mr. Kellner have any contact with anyone at the Justice Department, with anyone other than Mr. Richard, about this

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A. Well, I'm telling you, I don't remember it.

I know during that period of time, we had a number of sensitive situations, and in particular I was working on the Medellin Cartel case, and I think we talked to Steve Trotter or Jensen, but I can't remember any discussion about it.

Q, I was asking-- my next question was going to be whether you ever spoke to anyone at the Department of Justice, other than Mark Richard, about this case?

No. Not to my recollection.

- I mean, it's possible, but I don't remember it.
 - Joe Just I talked to.
 - Q. He is where?
- A. He's in the internal security section of the department.

I think I talked to him about the Neutrality Act aspect of the case, the fact he had-- what he might be able to help us with, in terms of talking to somebody about it.

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BY MR. MCGOUGH:

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Do you recall what the resolution or decision was at the end of the April 4th meeting,

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what was to be done?

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paper.

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Jeff was to write these facts down on

It was the fact, once he had to sit down and try to lay it out in terms of what he had found, he would begin to make more sense in terms of what he had and what he had found out from this trip to Costa Rica, so he was supposed to write a memo in which he laid out the facts of what he had found, so we could make a determination if there was anything there.

What is your next recollection of contact with the case?

I can offer you a menu, if you need -if you need it.

I'm having a hard time remembering what came up next.

We had a couple of meetings with Jeff, in which we sat down and discussed the facts that he had in the case

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1 before or after you received --2 before or after Mr. Feldman had done a memo on the 3 case? Α. I think it was after he had done a 5 memo. I don't think it was the final draft of 7 the memo. I never participated in writing the memo, nor did I look at it, really, except when we 9 10 came down for a meeting and sat down and reviewed it, and that's it up to that point. 11 12 Q. Let me interject with a couple of interfin steps. 13 14 Do you recall the day of the FBI shooting, when--15 Yes, very well. 16 Do you recall whether there were any 17 meetings on this case with Mr. Kellner or Feldman, 18 on the day of the FBI shooting? 19 On the day of the FBI shooting when I 20 arrived in the office, I took care of the basic 21 things, and Mark Schnapp ran down to my office and 22 said there had been a shooting. 23 24 He and I came to the scene, and we had a problem, because Metro-Dade police officers were 25

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1 advised of the rights-- we wouldn't do that with
2 federal agents, so--

Mark and I stayed out at this FBI , shooting scene, and, in fact, I accompanied one of the search teams to the house of one of the two shooters, where they did a search and found more weapons.

I didn't get back in the office until late in the day.

Leon Kellner had been out of town most of the day. He was on another case which is not relevant to this particular matter, but he had been out of the country, so -- but when he got back, I was telling him -- Leon came in, and there was a discussion about Jeff Feldman's case at that time.

It was late in the day. He was tired from his trip, and I was pretty worn down, and still the adrenalin was still pumping from being at the scene of the shooting the whole day.

- Q. Do you recall any discussion about political implications of Jeff Feldman's case at that meeting?
 - A. No.
 - Q. Do you recall any discussion about the

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impact on the pending nomination of Mr. Kellner at that time?

A. No.

Mr. Kellner was made U.S. Attorney as soon as Stan Marcus had become judge.

There was never any doubt of anybody in the district or anywhere else, that he was going to be approved, outside of the facts that when the Senate was going to be faced with voting on it.

Leon wasn't worried about it, and nobody about the office, and there wasn't talk in the office about anybody else going to be in that spot.

If anybody said anything about it, it would have been a joke.

There was nobody's name montioned to take his place, or any political consideration—the office was running smoothly, and, you know, even when Leon was formally nominated, I don't think anybody knew about it, because it didn't make any difference.

He was the U.S. Attorney.

Q. Do you recall specifically anybody making a joke about the political implications of Jeff's investigation, anybody making a joke?

A. Gee, I really can't.

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We may have joked with Jeff, because he was very serious about this thing, you know, and, sometimes my reaction, you got a bunch of wackos running around in the swamps-- you know, mercenaries here in Miami are a dime a dozen.

I can take you over to Brickell Point Holiday Inn and introduce you to 10 right now.

It is not unusual This is Miami. For every country in South America, we have a revolution sitting here in Miami.

People are buying weapons on the street. If Congress wanted to spend the time and try and stop these things, they would strengthen the gun laws instead of weakening them.

I spend half my day dealing with people running guns, so I think I tried to give Jeff some perspective.

You have got to see where you're going. You have got to have a violation, and know where it is you're going in and when, and we may have joked in one of those conversations, but I don't have it in my recollection.

Q. You don't have a specific recollection of anybody else joking about it, either?!

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1	A. I just don't.
2	Not that I can think of.
3	Q. Now, after the FBI agents were shot, .
4 1	the Attorney General visited Miami.
5	λ. Yes.
6	Q. Were you involved in that, the group of
7	people that met the Attorney General and traveled
8	with them that day?
9	A. No.
10	I came in for a very short period of
11	time, and Leon went and met with him, himself
1 2	Leon gets a kick, like, riding in the
13	limo, and he had commented to me, he got to ride
1 4	with the Attorney General, and they went and saw
15	the agents who had been wounded and had come back.
16	Q. Did Mr. Kellner indicate to you at that
17	time or around that time, that the Attorney
18 .	General had spoken to him about the Costa case?
19	A. Never.
20	First time I ever heard that was after
21	it appeared in the newspapers, and somebody said
22	the Attorney General had talked to him, and Leon
23	said the only time he can remember talking to the
2.4	attorney Ceneral shout this case was when the

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Q. There came a time when Mr. Feldman, i fact, did do a memorandum on the case, and at least in one of its early manifestations, it recommended that grand jury subpoenas be issued for certain witnesses and records.

Do you recall reviewing that version of the memorandum?

- A. I don't recall reviewing it, but I do recall telling Jeff numerous times, that I didn't think he was prepared to take this case to a grand jury yet, for several years.
 - Q. Let's back up for a second.
 Let's put it in a time frame.

There was, we understand, a meeting on May 20th with you, yourself, and Mr. Kellner, Mr. Scharf, and Ms. Barnett, at which the grand jury issue was discussed.

- A. Right.
- Q. Was your advice to Mr. Feldman, leading up to that meeting-- was your advice to Mr. Feldman about the grand jury prior to that meeting, or was it in the context of that meeting?
- A. I remember seeing him, because my office was on the 10th floor, as was Jeff's, so I would see him from time to time.

I don't remember how many times we spoke about it, but I do remember repeatedly saying, you know, you aren't-- "Before you do , anything on this case, you have got to get your facts together, and you have got to have a case. There's got to be a direction you're going in. There has to be a crime which you say is violated, and you have to be particular, in terms of putting together some sort of plan and organization of where you are headed. You're not a newspaper reporter just trying to titilate your readers with a story. You're a prosecutor, who's going to have to prove a case beyond a reasonable doubt, to a jury."

I remember trying to explain that to him several times, and I remember there was a discussion, and I can't place when and where that discussion was, about immunity and—my answer being, you don't throw immunity around, that you have got to know the answer before you ask them, because if a guy wants to mislead you and you give immunity, you are stuck with it unless you know what the truthful answer is, so you can charge him with perjury.

Do you recall whether that conversation

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took place	that is the	immunity	convers	sation
leading up to	this meeti	ng on May	20th	whether
the grand jur	y issue was	discussed	1 among	the ,
group?				

- A. I have a hard time. It runs together on me, and I can't tell you if it happened at that particular meeting or one of the discussions we had, you know, upstairs before, but I can't honestly tell you I can place exactly when and where the discussion occurred.
- Q. What do you recall about that meeting on the 20th?
- $\hbox{\bf A.} \qquad \hbox{\bf All I recall is that Jeff had the facts}$ together.

There were a lot of names, a lot of places, and I still wasn't satisfied that-- wasn't even satisfied there was a case there that we could do anything with, as an experienced prosecutor-- I am not sure this was a matter in this district that was ready to be taken to prosecution or could in this district even.

There were all kinds of unanswered questions, people obviously lying, individuals who had given us half the facts and half truths.

There were all kinds of people who

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32 1 needed to be questioned, and we had no idea of what the parameters of what this situation where. 2 3 I didn't seem to make any sense at that point. 5 Q. Going into the meeting, you were aware 6 that Mr. Feldman's draft memorandum had 7 recommended that grand jury subpeonas be issued. Is that a fair statement? 9 I don't remember that, to be honest 10 with you. Were you aware that Mr. Kellner had--11 12 at least as an initial discussion, concurred in that -- noted his concurrence to Mr. Feldman's --13 14 I think so, yes. Yes. Not discussing really the grand jury 15 16 process, itself, and the decision about the -- can 17 you explain for the record why you felt it 18 inappropriate to issue grand jury subpoenas, 19 either for records or for testimony? 20 Before you go into the grand jury, as I told Jeff, you have to have some idea of where 21 22 you're going and what you're looking for. 23 Up until that time, he had some wild stories that were concocted by 24

individuals who had failed a polygraph, people who were unreliable, and we did not have a straight set of facts, and I did not think it was appropriate to go into the grand jury with a bunch of people, who we were later going to find out were totally lying and totally mislead a grand jury, going to confuse them.

What I saw was a confused mass of facts that were leading in no particular direction, and had no form or substance to them.

Q. Now, you say you did not want to take it before the grand jury, people who may well lie to them.

What reasons, if any, or what discussion was there of the efficacy of issuing records subpoenas, that is bank subpeonas, airline subpeonas, those sorts of-- total records subpeonas?

A. Who are we issuing them to, and why.

I mean, were you going to issue records subpoenas to some entire military group that was, as far as I knew, made up of mercenaries, some of whom were from England, running around the country?

Were you going to issue it to the

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Cubans in Miami, who have been planning the

overthrow of the Cuban government since 1960?

Who you were going to for these records? How broad a subpoena? For the last year, last five years, certain, specific individuals, because if you make a subpoena and the attorney comes in and says that subpoena is over broad, you have got to tell the judge, "We're looking for a certain time period. Judge, we can't get those records for five years--"

You ought to have some bases for which you're asking for a subpoena, and if you get the records, do you know what you're looking for some names--

When we bring up the jail list in Monday on Miami -- the first Monday I was here, I had a defendant that I went over to interview, and his name was Garcia. That brought up five Garcias.

I don't know what he looked like. I had no idea who mine was, and I couldn't tell the judge which one it was I had the complaint on.

This is a common problem. They have similar names, identities. You have no idea who you're taking about

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If you're going to be grand jury and investigate these people for these violations, you have to have some facts in mind before you go off issuing subpeonas half, cocked, and the way Jeff walked into this investigation and still had it in May, was thoroughly confused and had no direction, and I thought it was totally inappropriate to start issuing any kind of subpoena, until there was some factual basis.

They hadn't-- the FBI's written 302's.

I hadn't had-- they went down and interviewed, and they interviewed Terrell in New Orleans, but I didn't have the interview in front of me.

They had interviewed Garcia, who was the defendant in the original case, but I didn't have the information that I needed.

I wanted to sit down and look at it, myself, and satisfy myself, that there was a direction where he was going in.

If we got documents, we knew exactly what we were looking for. If somebody objected to my subpeona or Jeff's on the basis it was overabroad or asking for too much, I could honestly say that in this district, you would have to be in a position to say. "Judge, we're looking for this

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particular individual or individuals. We're
looking in this time period," so I could justify
what we were doing.

Q. Is it fair to say that at the conclusion of the May 20th meeting, there was a decision made that the recommendation in the draft memorandum would be changed to reflect that it was premature to issue grand jury subpecnas?

A. Those weren't my words.

My recollection, from the end of that meeting, was, Jeff is going to get the FBI's .

3021s, go out and do enough investigation so you can come back and show me, satisfy me you're headed in a direction that there is a violation of law, that there is a violation that we're looking at, a viable target or targets in this investigation, and, all right, you may not have proof they violated the law, but you know where you are headed with it.

That was my impression when I left that meeting. I didn't put it in words or write the memo, but I was perfectly satisfied it was clear from our meeting, that is what Jeff was supposed to do.

Q. When was the next-- did you see another

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draft of Jeff's memo?

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A. From my recollection, to be honest with you, it was the final draft.

The reason I recollect that, is because at the end of August and beginning of September, I reviewed the FBI reports, and I had Jeff give them to me.

I looked at it then, and said, "Okay, you've done as much as you can do. We have got it down in writing, and go ahead and put it in the grand jury, and see if you can go in a definite direction in the Neutrality Act arms violation."

Q. We have had some indication that Mr. Feldman's memo was — in final form, was sent to the Department of Justice on June 3rd, and that was after submitting it to Mr. Kellner, who then in conjunction with Mr. Scharf, re-drafted portions of it.

It was then submitted to the Department of Justice.

Were you involved in that process of reparating, between the May 20th meeting and when-- and June 3rd, when it was sent to DOJ?

A. Yes or no-- I like to think we pretty--Leon pretty much respects what I say and distens

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to it, and I think in this particular occasion, he
heard my arguments on why we shouldn't be running
after things we didn't have a hold on yet.

That was my impression, but I didn't write the memo, so I can't remember whether any of my impressions was put down or not.

You have got to-- jokingly we call him "Doctor No", but every tough case, you come down and give it to Larry Scharf, and-- he will sit down and say, "I have a great deal of difficulty with this, and--"

He is a brilliant legal scholar.

He will point out all of the difficulties and put down things that you'll feel-- he was the fellow picked to do all of the legal work on the ABSCAM cases because of his aptitude.

He can be frustrating sometimes, because if you're a young prosecutor looking to prosecute, and you have "Doctor No" sitting there and saying, "I'm having a great of difficulty with this," it can be frustrating.

On the other hand, it is for him to do this.

Lacry was supposed to write and point

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out 1	the	thing	3	that	we	have	disc	us	ed	in	that
meet	ing,	and	1	took	for	gran	ted	it	was	do	ne.

I don't remember whether I saw the final draft and approved it or not.

I just don't remember that.

- Is your next recollection of the case, seeing the prosecution memo from the FRI?
- Yes. My next recollection is that I was doing the Medellin Cartel prosecution.

During the month of August, I spent my time pulling together all during that time, much of that case. We did that, and the case was decided at the end of August, and when that was complete, I sat down to review the FBI memorandums, Jeff's memo, and looked at it then.

I was satisfied that we at least had all of the facts together that we could get at this point, and I told Jeff I thought we should go ahead and go to the grand jury with it.

Sometime in the first week of October, I wrote a memo to Leon, just a little slip of paper, just saying, "Send it to the grand jury."

Do you recall whether you ever got the FBI pros memo from Mr. Feldman or from Mr. Kellner?

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I'm pretty sure about it. 2 wrong, but I'm pretty sure about it. 3 5 6 Mr. Kellner? 7 I think I did. R 10 "Gee, we ought to go ahead with it." 11 talked to Jeff about it, I'm not sure. 12 13 other things. 14 15 16 17 18 19 20 21 22

I think I got it from Jeff Feldman.

I could be

Do you recall giving Mr. Feldman an oral indication that the case should go ahead prior to the time you signed and sent the note to

I think I saw him up there, and said,

It was clear in my mind, but whether I

Jeff was involved in doing a number of

During this time period, we had been approached by the State Attorney's Office in this office, because they were having a terrible problem prosecuting the River Cops in Miami, and I had gone over to the Miami Police Department and the Dade County Prosecutor's Office with our senior litigating counsel, Pat Sullivan, to review that case, and assigned that case at that time to take the case from the state, work with them, and do the case federally.

Pat had agreed to do a major heroin



case in Thailand.

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24 25 He says "Dick, if I do the River Cops

case, what about the case in Thailand? "

He went upstairs to the narcotics section, and walking-- and-- complaining now who was I going to get to go to Thailand, somebody interested in making a trip, be a great trip, except you're going to have to work your butt off to make the case stick, that it's not an easy

Jeff, who had been trying cases a number of months, said he would like to do it. "I'll take the trip. I'll do it." He volunteered.

Jeff wanted to do it. I said, "If you have got the time, it's okay with me."

Jeff wanted to go and take this case.

He took the Thailand case, which was very important, and the main witness was 'the fail over in Thailand, and required him to fly over there to depose the main witness, and he, in fact, tried that case.

You said you finished the Medellin conspircay or indicted that case at the end of August, and the first week in October, sent the

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buck slip or the memo to Mr. Kellner to go ahead.

Was there any reason why there was five

Other than taking a good deal of time

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weeks that went by between the indictment in that,

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4 case, and the actual passing of the memo?

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to read it and there was a-- we wanted the

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Medellin case to be announced immediately to force the Colombian's hand, to say, "Send us those

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people," and I was unable to convince our

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diplomats to agree to allow us to do that.

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They kept saying, "The Colombians will be much more helpful if you don't treat it that

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way," so we spent a good deal of time on the

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phone, going over-- we could close the indictment

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and get the cartel members here.

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That was my prime topic of interest at

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the moment, but I did read the reports and take

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the time to do it.

ahead and do it."

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priority list. The Mcdellin Cartel case was at

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that moment, and I read them, and when I got

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through, I put a note on it, and I said, "Let's go

It wasn't just at the top of my

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When I exactly did that, I can't

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honestly tell you

43 1 Do you recall when the C-123 in which 2 Mr. Hasenfus# was riding, was shot down over in 3 Nicaragua? 4 It's October 3rd or 4th, I believe. 5 Do you recall hearing about that, at the time it happened? 7 I suppose it was on the news. 8 I didn't mean -- it was nothing of grave interest to me, but I remember it did happen. 10 Do you remember having any discussions 1 1 with anyone about any connection with-- between 12 the Hasenfus# flight and the Costa investigation? 13 14 Do you remember making any connection Q. 15 in your open mind, between the pros memo that was 16 sitting on your desk, and the-- the pros memo and 17 the Hasenfus# flight? 18 λ. No. 19 After you had signed off on the pros 20 memo, what is your next recollection of the case? 21 Jeff coming to me, saying he's ready to 22 put it in the grand jury, and that would have been 23 about a month later. 24 In the meantime, had you discussed the

case with Mr. Kellner at all?

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I don't think it really came up.

As I say, my prime interest at that a time was the Medellin Cartel case, and we were fighting for two, three months with Mark Richard and Steve Trottes and the Department of Justice, over getting clearance to unseal that indictment, and that's— that was my prime topic during that time period, and that's the only thing I really remember that occurred during that time period.

- Q. Did Mr. Feldman ever express

 frustration to you over the pace at which the case
 was moving along, that is the Costa case?
- A. I don't remember Jeff ever expressing any frustration.

I remember Keven Courier, who was the young FBI agent working on the case, he did.

He felt it should move faster, but that's always the case with an agent. They are anxious to move it faster than the prosecutor thinks it's ready to move, but I remember Kevin voicing some dissatisfaction about it.

Q. Did Mr. Courier indicate to you that he believed the case was being held up for political reasons?

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No.

He didn't say that, but he felt

Peldman coming to me

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2 that I or somebody above me, was keeping him from doing what he wanted to do. 3 4 : He seemed anxious to go and serve all 5 kind of subpeonas and drag people in, and I kept telling him, "You'll get to do it. Go and finish 7 some investigation first, and then you'll get to 8 the next step." I remember talking to him once or 10 twice. . They weren't really hostile, but you 11 12 could tell from his demeanor in the case, that he 13 was not happy about the fact that he hadn't approved-- it wasn't moving the way he wanted it 14 15 to. But he never expressed any theory it 16 Q. 17 was being held up for political reasons? 18 Not to my knowledge. 19 Not to me, anyway. 20 Q. Let me ask you some general questions, if I could. 21 22 Did you ever have any contact with Mr. Mathis, Mr. Garcia's attorney, in the context of 23 24 the Costa case?

16 early on in the public defender 1 in the case has been telling witnesses not to talk 2 3 to the FBI. I remember him telling me, telling me 5 that the public defender in the case was going to Costa Rica, because -- that's sort of a joke. 7 The chief public defender / limited them to one pad of paper. He has got a reputation for being so tight with his money, we couldn't imagine 9 10 he would allow someone to fly to Costa Rica, and then it came to light, someone, a political 11 12/ staffer, would pay -- was paying for his trip, and we thought it was some -- horrendous conflict of 13 interest, and Jeff voiced his concern very 14 15 strongly, as did the FBI agents. 16 They were concerned, because you have this guy representing himself-- we got word back 17 he was representing himself as an Assistant United 18 States Attorney, you know, a mischaracterization 19 by the stenographer or something, and what is he 20

There was a great deal of concern about that, but it was my feeling it was best left alone, we didn't want to interfere with the

doing telling witnesses they shouldn't talk to the

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FBI, the witnesses, and--

1 -assistance of counsel, regardless of who paid his 2 way down there. 3 You never had any personal contact with Mr. Mathis? 5 No. 6 I never met him, talked to him, or had 7 anytį̇́ing to do with him. 8 Did you ever discuss this case with any 9 reporters? 10 There have been a number of people who 11 have called here and asked questions, so I would 12 have to say yes. 1.3 To say which ones for sure -- I probably 14 would regret anyone that I talked to, because they 15 fail to print accurately what's said, or if they 16 do, they print only part of it and left the rest of it out, but I'm afraid after 15 years as a 17 18 prosecutor, I should know better than to talk to 19 them, and when Leon and Ana are not here, I talk 20 to them. 21 Have you ever talked to a reporter 22 named Murray Wass? 23 No. Do you have any idea how the Feldman 24

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the press?

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A. I have no idea whatsoever.

Q. Let me ask you what may well be the *
ultimate question here, and that is, to your
knowledge, did anyone in the Department of Justice
either give or receive instructions or suggestions
that the Costa investigation be slowed or handled
in a dilatory fashion, according to -- did anyone
ever say anything to the effect, "Go slow on this
investigation"?

A. No

I haven't ever heard anyone say that, because I was the one who was telling Jeff Feldman he was way out of line when he came back from Costa Rica, that he didn't have his facts together, nor did he know where he was heading, to go over in a grand jury so nobody would have had to say that, because I was telling him not to go ahead on it.

Nobody put that idea in my mind, but my own, good, prosecutorial judgement, and if I were called to do it again tomorrow, even knowing what I know now, I wouldn't let a prosecutor go forward with the information Jeff had when he came back from Costa Rica.

. Q.	You h	ave bec	ome awa	re that	Mr.
Leiwant's	recoll	ection	of the	April 4	th meeting,
differs at	least	in one	signif	icant r	espect with,
the recoll	ection	vou ha	ve?		

λ. Yes.

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- Q. And that is an alleged phone call--
- A. Yes.
- Q. Can you tell me when you first became aware that he had a different recollection?
 - A. That day he came into my office.

There was an investigator named Hayden Gregory who had come to see me. I remember him, because he's got the same name as mine, except he's Y and I'm i-e.

I don't remember if he was looking for documents or what, and about that same time, David came in and said he was concerned, because he was getting calls at home that they wanted him to testify or to give information to some sort of Congressional hearing, and I said, "About what," and he said essentially that he had heard this phone call, and I was totally shocked, number one, because no such phone call occurred, and number two, because I didn't remember that David had been there, and all of a sudden it came back to me that

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position he was in.

he had, and it also hit me, with all of these newspaper articles coming out, it, it must have been David Leiwant is the person in the articles* who was the other person present at the meeting. Let me ask you what is a difficult question to ask, and probably also to answer, but do you have any reason to believe that Mr. Leiwant might have any motivation to misrepresent what happened at that meeting, be it political motivation, personal motivation, anything that might explain a decision on his part to misrepresent? Other than his being friends with John Mathis, whose motivations are not known to me, I can't give you any reaons why he did it. It would be pure speculation as to why, you know, he might be in this position. He explained when he came in to see me that day. I asked why the Congressional investigator -- "Why would be call you?" He said, "I think John Mathis, my good friend, gave him my phone number," and that was enough to explain to me how David got in the

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I don't know that. I can't explain anything else.

David Leiwant was in the appellate , section. He would have nothing to do with a substantive case in the office until it reached an appeal stage.

He had nothing to do with anything in in the front office whatsoever, and would have had no reason to have any axe to grind or hard feelings, or anything of any sort with anybody in the office, that I know about.

David was always friendly, easy to get along with.

You go to the appellate section, ask him to look for something, and he would find it for you.

MR. MCGOUGH: I have nothing further.

MR. GENZMAN: I have no further
questions.

(Thereupon the deposition was concluded.)

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STATE OF FLORIDA:
: SS.
COUNTY OF DADE:

I, Stan Seplin, being a Certified Shorthand Reporter and Notary Public in and for the State of Florida at Large, do hereby certify that I reported in shorthand the deposition of Richard Gregorie; that the deponent was first duly sworn by me; that reading and signing of the deposition were waived by the deponent, and that the foregoing pages, numbered from 1 through 51, inclusive, constitute a true and correct transcription of my shorthand notes of the deposition.

I further certify that I am not of counsel, I am not related to nor employed by an attorney to this suit, nor interested in the outcome thereof.

The foregoing certification does not apply to any reproduction of this transcript by any means unless under the direct control and/or direction of the certifying shorthand reporter.

IN WITNESS WHEREOF I have hereunto

affixed my hand this 27th day of July, 1987.

Stan Semin, CSR, NOTARY PUBLIC AT LARGE. MY COMMISSION EXPIRES: 12-25-89.

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UNITED STATES SENATE

SELECT COMMITTEE ON

SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION

DEPOSITION ADRIANA GUILLEN

Washington, D. C.

Tuesday, April 21, 1987

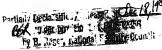
Deposition of ADRIANA GUILLEN, called for examination pursuant to notice of deposition, at the offices of the Senate Select Committee, Hart Senate Office Building, Suite 901, at 9:11 a.m. before BARBARA L. WHITLOCK, a Notary Public within and for the State of Maryland, when were present:

TERRY SMILJANICH, ESQ. Associate Counsel Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition

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CONTENTS

WITNESS EXAMINATION Adriana Guillen by Mr. Smiljanich UNCLASSIFIED

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PROCEEDINGS

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Whereupon,

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ADRIANA GUILLEN was called as a witness and, having been first duly sworn,

was examined and testified as follows:

EXAMINATION

BY MR. SMILJANICH:

Q Is it Miss or Mrs. Guillen?

A I go by Ms., but I am married.

O Ms. Guillen, as you know, my name is Terry

Smiljanich. I am Associate Counsel with the Senate Select
Committee on Secret Military Assistance to Iran and the
Nicaraguan Opposition.

I want to ask you some questions, and if you have any -- if you do not understand any of my questions, please let me know and I will be happy to rephrase my questions.

I wanted to get first of all a quick background from you and then ask you about certain matters that took place in 1985, 1986, sometime in that time period.

First of all, you are currently employed where?

- A USIA, United States Information Agency.
- Q You work for Radio Marti ?

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1 2 Since July 28, 1985. 3 I am from Nicaragua. 5 6 7 8 9 10 area of Nicaragua? 11

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Which is a program of the Voice of America.

How long have you been employed by USIA?

Are you originally from Nicaragua?

When did you come to the United States?

January 1982. I am a former journalist for the newspaper La Prensa, L-a P-r-e-n-s-a.

While you were in Nicaragua, did you come to know any of the Miskito Indians who live on the Atlantic Coast

Yes. Because of my support and duty I had to go to the Atlantic Coast, covering many events that were occurring.

The Sandinista government had applied several missions affecting the Indian communities, and there were demonstrations going on on the Atlantic Coast. There were letters complaining about the political organization that was implemented by the Sandinista regime, human rights violations, imposing of new leaders instead of the Indian community leaders, the breaking up of the traditional life of the Indians.

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La Prensa was considered a nationalist			
institution in Nicaragua life because the pages from La			
Prensa were denouncing the ${\it Somoza}$ dictatorship, corruption,			
and were giving there were human rights violations by the			
regime. So people came to La Prensa complaining about			
political happenings in national life.			

- 0 Who were some of the Miskito Indian leaders you came to know?
- Indians imprisoned by the Sandinista regime. Roger Herman, Brooklyn Rivera, Hazel Lau.
 - O So far we have --
- A Hazel Lau, and there were many others. At the time they were leaders of the Miskito Indians.
- Q was one of the people that you came to know a man
- A I don't remember exactly exactly. At the time that I met him in that particular -- I know that they had many religious leaders who were at the same time communal leaders, and another one who was called -- I don't remember the name right now.
 - Q That is okay.

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A They were recognized among the communities, the Indian communities.

O Was there a time in approximately June of 1985, while you werking here for USIA, you received a call from Mr.

A I was not working for USIA.

Q Where were you working at the time?

A I was a free-lance journalist, speaker, translator. So I worked from my home. The USIA job came later on.

Q Okay.

A So I would just be at home and have my own schedule of time arranged by myself.

What was the question?

Q Approximately June of 1985, did you receive a telephone call from

A Yes. I don't remember exactly the month, but it was a time when I was working by myself. So it might have been the summer of 1985. I did receive a call from yes.

0 What did he want?

A He said that he was coming to Washington and that

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he would like for me to help him and accompany him on some visits that he would have to make. That was not unusual because, as I said, we were in a long relationship since we were in Nicaragua.

- Q Did he speak English?
- A No. He does not speak English. He knows a few words, but he does not speak English. I have translated for him in testimony before Congress earlier.

_So as I said, that was kind of a friendly relationship.

- Q He said he was coming to Washington?
- A Yes, he was coming to Washington, and he would be invited by a private organization known as Citizens for Reagan, who was based in Washington, and Peter Flaugherty, who was an officer at the time -- I don't know if he is still there -- was the company person for him.

And I said, yes, I would be certainly willing to accompany you. Let me know what time and when do you need, and then I go with you.

- Q So then soon after that he actually came to Washington?
 - A Yes. When he came to Washington --

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0. What happened after that?

He called me. I went to Peter's -- the Citizens for Reagan's place. I don't remember exactly. He had several appointments to them I remember clearly. One was with the White House officer, Colonel Oliver North, and the other one, Robert Leiken.

Let me understand. You and Peter Flaugherty's office at Citizens for Reagan?

Was that here in Washington?

Yes. That is in Washington. It is by the Capitol here in this area.

And while you were there with Flaugherty, two appointments were arranged?

Yes, two that I recall. He had others, but those two I recall.

How was the appointment with Colonel North made?

I think it was over the phone. I don't know if th called him or if Peter Flaugherty called him, stated that he was in bad shape with the rebel

resistance group with the Miskito Indians and that he needed funding to continue the fighting, the organization.



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So those meetings I understand were to try to receive financial aid as well as political recognition. At the time the only leadership that had been announced, that was formed by Adolfo Calero and Alfonso Robelo and Arturo Cruz, and the Miskito Indians were not invited to be members of UNO.

So stated that the Miskitos felt that they should be invited because they were also part of the --

- Q Did you know Colonel North personally?
- A No, I had never met him before.
- Q Did know Colonel North?
- A I don't think so.
- Q The appointment was -- was it arranged by Mr. Flaugherty?
 - A I would say so.
- Q Was the appointment to see Colonel North the same day that you were in Mr. Flaugherty's office, or was that for a later date?

A It could have been another day. I think was here for about four days or so. So I don't remember if that was the first day or the following day when he came.

Q First, you said you remembered two appointments.



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He first talked to Mr. Leiken with

We went to Mr. Leiken -- it might be that we went first to see Mr. Leiken. When we went to his office knew that Leiken was involved in the negotiations with the Miskito Indians and UNO and probably thought that Leiken was also influencing Congress or the Administration.

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When we went to Leiken's office, he was taking notes of the meeting. Leiken was taking notes, and asked him who are you? first presented himself and then asked Leiken his credentials, and Leiken stated he was an adviser to the Administration on Nicaraguan policy.

So that was an important point for and he explained how was seeing the situation and asked for Leiken's recommendation about supporting group, and so that was Leiken.

Now then, did you and go and see Colonel North then?

I don't remember if it was the same day. to see Colonel North after our meeting had been arranged. Flaugherty asked -- when we went to the White House, at the Old Executive Office Building, Flaugherty went to the phone that is on the reception area, or at the reception area, and

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UNCLASSIFIED 80 01 01 11 BLWbur is here, so who do you want to go with him? 1 2 And apparently Colonel North or his -- the should go only with the person 3 secretary said that that would translate for him. So Flaugherty waited outside, and I went to the meeting. With Colonel North? With Colonel North. 7 Was anyone else present at the meeting besides R and Colonel North? 9 you and 10 I don't remember anyone else sitting at the I think it was the three of us. 11 And you were there to act as a translator for 12 Yes, such that he does not speak English, and North apparently did not speak any Spanish. 15 What discussion did the two of them have, then? 16 stated that -- the shape of the resistance, 17 that it was bad and needing financial assistance, as well as 18 his desire to be represented in the UNO Directorate, and 19 Colonel North -- as I recalled -- he replied that he was 20 appeal and he would certainly work to 21 sympathetic to

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have the Miskito Indian -- a Miskito Indian in the

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leadership, but first the Indians had to unite in one organization. They were divided, at least three groups at the time.

And said yes, we are willing to do that, but we need very badly supplies, the fighters have nothing.

And he said, first, we have to work on the unity problem and after that we would meet again and then you would meet with President Reagan after all of this.

said in the meeting they did not have any money to pay for the coming of the Miskito Indians who have to take part in the unity meeting.

And Colonel North said that it is -- not exactly his words, but the concept -- that this would be resolved and should not worry about that and he would have the money to pay for the coming of the Miskito Indians. They should be coming

Q There was going to be a meeting, a leadership meeting, and was concerned about being able to pay for the Miskito Indians to come to gather together at this meeting?

A Yes, and to it was most important, or more important, to receive aid for the group than holding that

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meeting for the unity, but that was a precondition set by Colonel North at the time, that he has to go on that project.

O And Colonel North said -- not in exact words, but in so many words -- that did not need to worry about the finances for that, that Colonel North could take care of it?

A Yes, that would receive the money. I think Colonel North mentioned that Friends of the Resistance would be given money to pay for that, but that was promised in the meeting.

Q You think that Colonel North said that Friends of the Resistance would take care of the financing?

A I think so, or Peter Flaugherty, but now from the meeting with -- either with Flaugherty or North they mentioned Friends of the Resistance, who were willing to donate money to pay for that.

O In other words, you understood that the money that Colonel North could acquire was not going to be government money that he was getting from the United States but rather money from private sources?

A Yes, I understood that.

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0 When did Colonel North say that he could get this money?

A At that meeting -- what he said was -- he said it at this same day in the afternoon before left because he was leaving Washington to Miami that night, so that before left he would have the money.

O Did he say how much he could get for

A I think that at the meeting we were figuring out how much money they would need to pay for the traveling expenses, so that it might be about -- all together about \$8000. But he would not receive all of the money that day.

So Colonel North asked to go and wait until he would call, I think. He would call back Peter Flaugherty's office, and would be able to pick up the money.

Q Was there anything else discussed at that meeting with Colonel North?

A In a broad sense -- as I mentioned before -- the need to have us take assistance to the rebels. But I would say that although wanted to discuss other issues, Colonel North wanted to discuss the unity as a condition.

Q Did Colonel North discuss at all any of the



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military aspects of the resistance, the fighting inside the Corrigor or anything like that?

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Not that I recall.

Then you left the meeting with

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Flaugherty was waiting outside? Yes. So I think that we went back to the office. That might be.

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You mean Citizens for Reagan?

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Yes. Citizens for Reagan. I don't remember if I waited until the afternoon and I came back home, but late in

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the evening -- in the afternoon I had to be there to consult because Peter Flaugherty does not speak Spanish, and

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was leaving and he had to go and wait for the phone call.

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So the phone call came, and Peter Flaugherty said the money is ready, we will go to the White House and

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somebody will be there with the money. So we went. Who was there, the three of you, Mr. Flaugherty

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Mr. Flaugherty was driving his own car. We went to the White House, again at the Old Executive Building. We did not enter at that time. Mr. Flaugherty parked his car

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by the side of the White House. I think it was on 17th

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and Mr.

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21 22 Street entrance. I don't remember exactly, but I think Mr.
Flaugherty came down, went to the White House. He might
have called from the phones that are in the hall, and he in
a few minutes came back to the car, and a person, a man -- I
did not know him before. I think I had not met him
before -- came and gave an envelope with the money to

So

received the money and he counted how

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O This man came out of the White House?

A Yes.

much it was in the envelope.

Q The Old Executive Office Building?

A Yes.

O Did he give the money to Mr. Flaugherty or did he give it directly

A I think is the He came to the car where we were waiting.

He did not introduce himself in any way?

A No, I don't think so, but I don't remember if it was mentioned at the meeting with Colonel North. But Robert Owen's name was mentioned during stay here in Washington that week.

And left that night.



'80 01 01 17 BLWbur 1 Q Before you go on let me stop. The money that was given to 2 was in an envelope? Yes. 3 And counted the money? 5 Do you recall how much money was in the envelope 6 7 that he counted? 8 I think it was about \$4000. I do not remember 9 exactly. Was the money -- this is in cash, right? 10 11 A 12 Do you recall what kind of denominations they 13 were? 14 A No. Hundreds, fifties, twenties? 15 0 No, I don't remember. 16 Did you notice how thick the envelope was? 17 18 Well, it might be like that (indicating). About a quarter of an inch thick? 19 20 Yes, more or less. Okay. And where did the three of you go after

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ot the envelope?

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- A To the airport.
- Q To the airport?
- A Yes. National Airport. So left for Miami that night.

Q Then you have a friend who was on the National Security Council staff by the name of Jackie Tillman?

A Yes. We had met several years earlier, 1982, when I came, because I had come to Washington, 1981. I was sent by La Prensa to cover the first inauguration of President Reagan and when Kirkpatrick was named Ambassador.

Kirkpatrick was just named Ambassadorto the United Nations. I sent her a copy of the interview that was published. So the relationship had been established before I came here.

O After you -- after left he went to Miami, is that right?

A Yes. He went to Miami. I do not know if he went or he stayed down there, but he called me.

Q Before you go on, did you -- after he left for Miami, did you tell your friend Jackie Tillman about this incident?

A Yes. At the time the Nicaraguan resistance



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organization was confused and many influences were fighting to get control over the leadership, over the movement or whatever.

I was concerned, of course, because it was my country, Nicaragua, and I was concerned about the problem of the Miskito Indians that was beginning to isolate the issue of the Nicaraguan Indians as part of the national life.

Because of that I felt — because of the attitude of the leaders of the resistance — outside the resistance. So I used to talk with Jackie Tillman in a friendly way, but also I knew she was not going to publish anything that we were talking about.

Q Right.

A And I said because also when he came he used to call Jackie Tillman. I have to say here that when the Miskito Indian refugees came to Honduras the United Nations Ambassador, the U.S. United Nations Ambassador Kirkpatrick was very helpful in trying to get them food and assistance.

So the Indians also were very related to Jackie and Ambassador Kirkpatrick because of her previous job.

Q Because Ms. Tillman used to work for Ambassador

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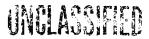
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Kirkpatrick?

A Exactly. So when they came, they used to call her and say hello. So she knew that was here, was in town, and I said this is happening, is looking for that. So we were just exchanging, and I mentioned her at the meeting with Colonel North and disappointment, if you can say that, when they needed some important and urgent assistance for the fighting. They did not get that perhaps because of other blockings in the way. I don't know what other reasons.

But when there was a project that was of interest to someone here in Washington, then they would resolve it very quickly -- as the meeting with the other groups.

- O Did Ms. Tillman, did she seem concerned at all?
- A About the description of the envelope? Yes, she was very concerned, and she de a comment on the sense that this is a crazy idea; I think this is going to be a problem for everyone in the future.
 - Q You mean the giving out of cash by Colonel North?
- A Yes. Yes. So that was her reaction to the knowledge of what was going on.
 - Q Now then, you were going to say earlier then that



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you got a call from

from Miami?

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Yes. Yes, he called from Miami and said that they were not able to continue with or to start the meeting because the other money did not reach him.

Q . They were meaning money that had been promised?

Yes, that had been promised by Colonel North, and requested me to call Colonel North and convey his message. He could not call him directly because of the language barrier.

I called Colonel North because I had his number when I was there -- he gave his number to I am calling on behalf of and this is his message.

He was very upset. Colonel North was upset and said to me, listen, you have been talking to other people about the meeting we had here and I had requested, you know, not to talk anything about that.

I said that I did not recall him asking me to keep silence on the meeting. It should have been requested in order of confidentiality. Then I would not have mentioned it to anybody.

And besides, the only person I had talked to was Jackie Tillman. I did not say that to him, but that was the



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UNCLASSIFIED 30 01 01 22 BLWbur 1 fact. 2 Did he say where he had heard it from? 3 No, but I knew --But it would have to be --. It would have to be Jackie. That was the only 5 person I had spoken to about that. 6 And then he understood my explanation and said, 7 okay. 8 But first, when you first started talking to him, 10 he was angry or upset? He was upset, yes. But he was not nasty. He was 11 upset. And I said, besides, one of your personal staff 13 has had problems is leaking what is going on because 14 with Jifata because someone in your office told Brooklyn 15 Rivera -- because he said was with another person who was an Indian, an Indian in your office, and this is 17 straining relationships between them and non-Indians. 18 is working with other non-Indians on that. 19 said So Colonel North accepted? 20 0 He said that he would -- he asked me who 21 has told me that it was Mr. 22



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nathan	Miller,	who	was calling	Brooklynto	complain	about

asking for a translator who was non-Indian.

- This was Colonel North telling you?
- Who was the person.
- And it was --

He asked me when I complained that there were leaks from his office that were straining the relationship among Indians, and he asked me, and I said that Mr. Jonathan Miller from your office called Brooklyn Rivera and complained about him.

- What did Colonel North say?
- When I said says he needs more money, he said you would be calling Mr. Robert Owen and he gave me a phone number. Then I called Mr. Owen, and I said I had been referred to him by Colonel North on
- Do you recall whether the phone number you were given was a private phone number, or was that a phone number of a business? Was it a government phone?
- No. . I think it was a private number. I think it was Mr. Owen's private number, and I think that he was the person who was responding to the call when I called.
 - Was he expecting your call?

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A It seems to. When I conveyed the message of he said he would -- he would take care of that. He would contact later on, perhaps five days. I don't remember what, what period of time it was.

called me back and said that he needed to contact Mr. Owen because they were having problems and things were not resolved completely. They needed to pay his phone, his telephone number, and the needs for the food and lodging of the Indians in Miami.

So I called -- but he gave me at the time a phone number in Miami so I could call on. I called him. I don't remember if I talked to him or left a message. I think I talked to him. And he said that he was aware of what was going on, more or less in those terms, and that he was taking care of that.

- O Mr. Owen was in Miami?
- A Yes, at the time.
 - was in Miami?
 - A Yes.
- O But was trying to reach Mr. Owen and did not know how to reach him?
 - A He could not communicate with him in English.

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That is why he requested from me that I call him.

O Okay, and Mr. Owen had previously told you on the phone a few days earlier that he would take care of concerns about the additional money?

A Yes, more or less. That was his answer.

So that was the last time I think I talked with

MR. SMILJANICH: /ff the record.

(Discussion off the record.)

MR. SMILJANICH: Back on the record.

THE WITNESS: I think that was the last time I spoke with Mr. Owen because later asked me to call Mr. Owen again, and the number that he gave me -- that gave me did not work. It was a disconnected phone number.

BY MR. SMILJANICH:

Q Later on wanted you to contact Mr. Owen again but you could not reach him because the number you had was disconnected?

- A Yes.
- O How much later was that?
- A I don't remember.
- Q When you talked with

did he ever



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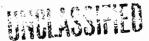
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confirm that he had in fact gotten the additional money from Mr. Owen?

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- A Yes, I think so.
- Q Approximately, how much?
- A Well, it should have been the remaining, about \$4000 more, or in that sum.
 - Q To reach the original \$8000?
 - A Yes. Yes, about 8- or \$9000.
 - Q That Colonel North promised?
 - 'A Yes.
- Q Did Colonel North at any time say anything to the effect that he had done this before, that he had given finances like this to any of the other groups or any of the other Indians?
- A I understood that group was also going to receive funding for their coming to Miami because they were going to take part in the meeting.
 - O Funding from Colonel North?
 - A Yes.
 - Q Like got?
 - A That is my understanding.
 - Q How did you get that understanding?



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Indians did not have money to pay for their coming. So they should come from some other way, and he was resolving

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was also in touch with him. request, and

I concluded that he was also going to help him to pay for the expenses.

- Did you have the impression after you talked with Mr. Owen on the phone that he was the man who had met you all in front of the Old Executive Office Building with the envelope?
 - Yes, I did.
- Is there anything else you can recall about any of these events that we have not talked about yet?
- I think this is the most specific recollection that I can make.
- Did you ever talk to Colonel North after that phone conversation where he started off being upset but then after the explanation --
 - I don't remember, but I think not.
 - You have not talked with him since then? 0
 - No. A
 - The only other time you talked with Mr. Owen was

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the time that

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wanted you to contact Mr. Owen?

- Yes.
- What did he want you to contact him about?
- About receiving the money that was promised to finish paying for the expenses of the Indians that came to That was what told me, and I do not remember if Mr. Flaugherty and these private individuals who were willing to help the Nicaraguan resistance were organizing like a network that would supply financial assistance to the group so that should be -- or could be in touch with this private network in order for the Indians to have an independent financing for them.
 - Do you know if they ever accomplished that?
- I think the Miskito Indians never received -that is my understanding.

 - That was the funding for that network.
 - Who was going to be part of the network?
- Well, I think Peter Plaugherty was coordinating some people. I do not know this for a fact, but that was my impression.
 - Okay. Q



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A And Owen was of course part of that effort as well.

Q Thank you very much for coming here and for answering these questions.

MR. SMILJANICH: This deposition will be transcribed and then will be treated as a confidential deposition, classified as a committee-sensitive matter. In other words, it will not be -- it is not a public matter at this time.

When the deposition is prepared, what I would like you to do is to review the transcript that the court reporter prepares to see if you think she has taken down accurately, you know, what you have said, and then you can — at the back of the deposition, you can write on a sheet of paper any corrections that you feel are necessary, certain words that you think were typed wrong or were gotten wrong, and then your correction sheet will be made a part of the transcript with the original.

And then what I would like to do -- we can go off the record in a second and work out the details of that, but again I want to thank you very much for answering these questions for me.

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THE WITNESS: I would like to make clear that at the time I was not working for the USIA. That could really harm my working.

MR. SMILJANICH: Thank you for making that clear. This concludes the deposition.

(Whereupon, at 9:52 a.m., the taking of the deposition ceased.)

ADRIANA GUILLEN

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CERTIFICATE OF NOTARY PUBLIC & REPORTER

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I, <u>BARBARA L. WHITLOCK</u>, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Notary Public in and for the State of Maryland

My Commission Expires JULY 31, 1991

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